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Yeltsin's Weak NATO Hand Reflected the New Reality

Hard-Liners Angered By 'Crushing Defeat'

By Lee Hockstader
Washington Post Service

HELSINKI — President Boris Yeltsin of Russia arrived in Helsinki for his summit meeting with President Bill Clinton with precious few cards to play against Washington's determination to expand its main security alliance to include Russia's former allies in Eastern Europe.

Dealt such a weak hand, he returned to Moscow with little choice but to put the best face on an outcome that in some ways reflects Russia's diminished status in the world.

NEWS ANALYSIS

Despite Mr. Yeltsin's vigorous and repeated opposition to NATO's eastward thrust, the main result of the summit meeting here last week was to secure Moscow's acquiescence in the move. In agreeing to disagree — the gentlemanly formulation mouthed by both sides — Moscow effectively caved in.

That is not so much a failure of Russian diplomacy as a reflection of post-Cold War realities. Short of a rupture in relations or a declaration of war, the Kremlin had little leverage to stop or postpone the eastward growth of the North Atlantic Treaty Organization.

Mr. Yeltsin sat scowling through Mr. Clinton's opening remarks at the two presidents' final news conference, as if he had temporarily forgotten that his script called for a brave face despite defeat. He loosened up in the end, grinning broadly for photographers while shaking hands with Mr. Clinton.

Others in the Russian delegation were not even that convincing. After two days of nonstop press briefings and spin control, Russian officials disappeared completely after the summit meeting's conclusion, leaving journalists to guess at their views.

On the summit meeting's centerpiece question, the expansion of NATO, the Russians got little of what they were hoping for. The Kremlin earlier had acknowledged that it could not block the planned expansion, expected to begin this summer with membership invitations for Poland, Hungary and the Czech Republic. It had hoped for a legally binding treaty defining Russia's relations with an expanded NATO and setting limits on the military role the new member countries would play.

But the Russians had no means to force the West to accept the treaty idea, and, just as the Clinton administration had hoped, Mr. Yeltsin

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Clinton Put Faith In Russian Leader

By Steven Erlanger
New York Times Service

HELSINKI — "I know you trust me," President Boris Yeltsin once told President Bill Clinton, according to American officials. "But I know it's because you are afraid of what may come after me."

As much as the Clinton administration is accused of personalizing Russian politics in its devotion to Mr. Yeltsin — as the Bush administration was similarly accused for its loyalty to Mikhail Gorbachev — the summit meeting last week showed the value of Mr. Clinton's trust.

The Russian president came through for Mr. Clinton, choosing to minimize Russian anger and humiliation over NATO's coming expansion in the interests of a larger strategic partnership with Washington and Europe.

Mr. Yeltsin, who suffered a heart attack during his re-election campaign last summer and who was written off by many Russians, let alone Clinton critics, has emerged from successful multiple bypass surgery to reassert his authority over a chaotic Russia — or at least to try.

American officials say Mr. Yeltsin is much improved from his surgery. In fact, they say, he seemed more mentally acute in Helsinki than any

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BACK TO FOREFRONT — President Mobutu Sese Seko of Zaire speaking at a news conference Sunday outside his residence in Kinshasa. It was his first public appearance since his return from France after treatment for prostate cancer. Page 6.

Israel Demands That Arabs Work to Stop Terror Attacks

But Netanyahu Overrules Cabinet Members Who Wanted to Halt Talks

By Serge Schmemann
New York Times Service

JERUSALEM — In the wake of a suicide bombing at a Tel Aviv café last week, the Israeli government demanded Sunday that the Palestinian Authority take measures against further acts of terror but stopped short of threatening to stop peace negotiations.

The government's statement, issued after a meeting of the cabinet's committee on national security, was accompanied by a blitz of public declarations from Prime Minister Benjamin Netanyahu and his security chiefs charging the Palestinian leadership with giving an indirect "green light" for terror attacks and street violence.

Palestinian youths once again took to the streets of Hebron to pelt Israeli troops with stones, but in contrast to recent days, the Palestinian police succeeded in restraining the protesters, and Israeli soldiers held back from taking any action. Enclosed by a heavy ring of soldiers in full battle gear, Jewish settlers paraded through Hebron in the Halloween-like costumes of the Jewish holiday of Purim.

The Israeli security forces also maintained a high alert against the possibility of another strike by Palestinian radicals after Friday's suicide bombing of the café, in which three women were killed.

Soldiers with bomb-sniffing dogs patrolled Tel Aviv's central Dizengoff Street, which is usually cordoned off for Purim.

Sunday's session of what is known as the "inner security cabinet" was the first meeting of the government since the bombing. It was watched carefully for an indication of how Mr. Netanyahu intended to proceed, and whether he would take the sort of severe measures he had advocated in such cases as an opposition leader.

Israeli television reported that hard-line members of the cabinet, including Ariel Sharon, Natan Sharansky and Rafael Eitan, demanded an end to negotiations and the installation of economic sanctions against the Palestinian areas unless Mr. Arafat rearrested the 150 Palestinian militants he is said to have released over the past eight months.

The statement that emerged, however, made no mention of punitive measures, or of Mr. Arafat by name. It said the government "demands that the Palestinian Authority fulfill its obligation to fight terrorism and violence as a necessary stage in advancing the peace process."

In a subsequent interview, Mr. Netanyahu avoided direct answers when asked whether he intended to suspend the negotiations.

The talks are frozen in any event, since Mr. Arafat pulled back his negotiators in anger early this month after Mr. Netanyahu's government approved the construction of a new Jewish neighborhood in East Jerusalem and then scheduled a withdrawal from the West Bank that the Palestinians rejected as far too small.

Through all the tumult, Mr. Arafat flew to Pakistan for an Islamic summit meeting, where he was assured of a warm response to his charges of Israeli "obstinacy and intransigence." It was not entirely clear when he would return, or whether he went ahead with the trip as a deliberate demonstration of defiance.

Western diplomats said Mr. Netanyahu's response to the bombing apparently reflected the calculation that a combination of public pressure and tactical restraint might bring Mr. Arafat back to battling the militant Islamic organizations, as he was doing until relations with the Israeli government began to sour last summer.

The diplomats said the prime minister might also believe that with Mr. Arafat on the defensive in the wake of the suicide bombing, Mr. Netanyahu may have a better chance of pursuing his proposal to forego further interim steps and plunge directly into negotiations on a final settlement, with the intention of reaching one within six months. Mr. Netanyahu floated that idea

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After 40 Years, EU Arrives at Crossroads

By Tom Buerkle
International Herald Tribune

BRUSSELS — Forty years after the founding fathers of European integration launched an idealistic experiment in cooperation among governments, Europe is struggling to adapt the cohesive policies of the past to the divisive challenges of the future.

The Treaty of Rome, signed on March 25, 1957, when Europe was striving to heal the physical and emotional wounds of World War II, has fulfilled most of its framers' grandest ambitions. War has become so unthinkable among the countries of Western Europe that this primordial objective is often overlooked today.

Notwithstanding mounting social pressures, the European Union is the world's wealthiest group of countries and remains a pole of attraction to its neighbors to the East and South.

But Europe increasingly looks like the victim of its own success, raising questions about the treaty's fundamental goal of an "ever closer union." The extension of integration into such sensitive areas as a common currency and border controls has prompted a nationalist backlash, while expansion from the six original members to the current 15 has frayed the consensus over policy objectives, a trend likely to worsen when the EU opens its doors to the 11 candidates on its doorstep.

Britain's opposition to deeper integration in current negotiations on EU reform are widely shared in Denmark and Sweden, for example. In Germany, meanwhile, the record rise in joblessness has led populist politicians such as Gerhard Schroeder, the Social Democratic leader of Lower Saxony, to begin to question Chancellor Helmut Kohl's vision of binding Germany into a European economic and political union.

Economically, meanwhile, many Europeans question whether the progression from common tariffs to a common market and ultimately the common currency will provide solutions to mass unemployment, or merely worsen the problem. Persistent joblessness "would be dangerous for the future of the Union," Lamberto Dini, the Italian foreign minister, warned in an interview. But the EU itself can do little directly to combat

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EU Set to Send Police to Secure Aid in Albania

By Marlise Simons
New York Times Service

AMSTERDAM — The European Union is expected to send a small military police contingent to Albania to provide security for the delivery of food, medicine and other aid, according to officials of the Dutch government.

The decision may come as early as Monday when the foreign ministers of the 15-nation Union will discuss the issue in Brussels, the officials said. Envoys of the Albanian government are also expected at the Brussels talks.

The plan is to send "hundreds but not thousands" of West European military policemen or troops with police tasks, the officials said, to see to it that badly needed food and medical supplies get into the right hands rather than risk pilfering by the many armed gangs.

Under the plan, apparently worked out with President Sali Berisha of Albania, the contingent would also reorganize the Albanian police, who often behave as criminals, foreign diplomats say.

The Dutch foreign minister, Hans van Mierlo, has already pledged the participation of the

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Simon Kwong/Reuters

HONORED — Victor Liu, right, the head of Taiwan's Sun Yat-sen University, and two deans placing a mortarboard on the Dalai Lama's head Sunday as the Tibetan received an honorary degree. His arrival in Taiwan set off independence demonstrations. Page 4.

Iranians Gear Up for a Presidential Campaign

As Iran prepares for presidential elections May 23, what appears to be a campaign of genuine issues and candidates is playing out.

Although the campaign is still weeks away and none of the candidates has been officially approved, a form of competition, featuring surprisingly open debate, has begun. The frontrunner, who is speaker of Parliament, is promising to improve the economy and enforce stricter Islamic law, while the leading underdog is pledging more personal freedom and no more male supremacy. Page 10.

AGENDA

One Dead, Dozens Hurt As Soccer Fans Brawl

At least one Dutch soccer fan died and dozens were injured Sunday in a planned brawl between supporters of rival first-division clubs who used mobile telephones to outmaneuver the police in Beverwijk, Netherlands.

Hundreds of Ajax Amsterdam and Feyenoord Rotterdam fans armed with baseball bats, clubs and knives streamed to a vacant area along the A9 highway near Amsterdam for a showdown ahead of Feyenoord's match against AZ Alkmaar.

Witnesses said sticks, batons and hammers were also among the weapons used by the fans. Several cars were set on fire. Page 18.

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The iHT on-line http://www.iht.com

100 Days to Handover, Chinese Count the Minutes

For Many to the North, Hong Kong Stirs Curiosity and Suspicion

By Steven Mufson
Washington Post Service

BEIJING — Zhu Chaoyang knelt in front of the Museum of the History of the Revolution alongside Tiananmen Square and aimed his camera at the giant digital clock that is counting down the days and seconds left until British-run Hong Kong returns to Chinese sovereignty. Click.

A tourist from the northeastern city of Shenyang, Mr. Zhu posed in his pullover sweater and blue jeans while a stranger took his picture. He positioned himself in front of the clock and smiled. Click.

How did he feel about the reunification with Hong Kong that will take place 100 days from today?

A rugby union is a social fixture in the British colony. Page 18.

"The Chinese government will have to crack down in Hong Kong," Mr. Zhu said. He said that Hong Kong is full of gangsters, drug dealers and sex fiends.

At least that is what he has seen on television and in the movies. People in Hong Kong "may be clever," he said, "but they're not intelligent. Hong Kong people only care about making money. You can only trust them about 20 percent of the time."

Mr. Zhu's attitudes are typical of people from northern China who regard the July 1 handover of power in Hong Kong from Britain to China with a mixture of pride and prejudice. Although the government is promoting the event as a symbol of national unity and dignity, many Chinese see people from Hong Kong as being, to put it politely, different.

"Beijing people are honest and straightforward," said the manager of a porcelain factory who was taking photos of the countdown clock last week. "Beijing has a higher cultural level and a higher level in terms of manners. Hong Kong films and television programs are very low-brow and commercial."

A chemical engineer who was taking photos in front of the clock agreed: "They don't have any taste."

These are not the sort of warm feelings the Chinese government wants to emphasize as it prepares for one of the decade's biggest photo opportunities.

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Newsstand Prices

Andorra	10.00 FF	Morocco	16 Dh
Antilles	12.50 FF	Qatar	10.00 Rials
Cameroon	1,600 CFA	Réunion	12.50 FF
Egypt	£E 5.50	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1,100 CFA
Gabon	1100 CFA	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20
Lebanon	LL 3,000		



Claro Cortes/Reuters

A democracy activist watching pro-Chinese marchers marking the start of the 100-day countdown Sunday.

For Mexican Gangsters, Jail Is the Lap of Luxury

By John Ward Anderson and Molly Moore
Washington Post Service

MEXICO CITY — Pepe de la Rosa is a convicted drug smuggler in the maximum security section of Reclusorio Norte prison here. But for him, maximum security means a two-bedroom apartment above the warden's office with Mexican tile floors, wood-paneled walls, a spacious kitchen and cable television.

Mr. de la Rosa's custom-designed "cell" isn't the only relatively luxurious accommodation in the prison. According to inmates and former prison officials, the maximum security facility — a walled island in the prison — is an oasis where 19 drug dealers, organized crime figures and other well-connected prisoners have multiple rooms; a gymnasium with weight machines; Domino's Pizza delivery; cooks and maids; regular access to drugs, women and alcohol, and a lush garden where they often throw barbecues.

"Those people are not in maximum security because officials want to keep an eye on them," said an inmate in the general prison who has visited the compound frequently.

The compound also houses at least two men accused of being connected to the 1985 torture and slaying of an American anti-drug agent, Enrique Camarena. "They're in there because they are privileged," the inmate said.

Inmates and former prison administrators also described maximum security and an adjacent dormitory at the facility on the northern edge of Mexico City as the center of multimillion-dollar drug and extortion rings that allegedly are run in collusion with prison officials who use prisoner gangs as enforcers.

A former senior prison official in Mexico City said he calculated that about $1 million a month changed hands through bribes to guards, drug deals, prostitution rings, alcohol sales and oth-

See JAIL, Page 10

Profound Cultural Change / **An Emigrant Nation No Longer**

Opportunity Knocks in Ireland, Calling Its Flock Back Home

By Warren Hoge
New York Times Service

CORK, Ireland — This river town of steeples, hills and vividly colored quayside storefronts is now the second city of the republic, but in the grayer past it was the last city in the country that millions of Irish men and women ever saw.

They were participants in one of the world's greatest migrations, forced by famine, poverty, colonial persecution and lack of jobs to board ships in Cork's port in nearby Cobh and sail away to America, England and Australia in the hope of finding a future that this beguiling land could not provide.

Over time, the travelers changed from the bewildered, tattily attired farm workers pictured in sepia photographs with their life's possessions in battered steamer trunks, to purposeful young men and women with college degrees in their suit pockets. But for more than a century the pattern persisted: To get ahead, you had to go abroad.

Now, quite suddenly and dramatically, they are no longer leaving. Thousands who had fled are coming back. Ireland, the country that once stood accused by James Joyce, its most famous writer, of conferring honor only on those who went into exile, and that as recently as 1991 was still losing 26,000 people a year, is in the unaccustomed role of no longer being an emigrant nation.

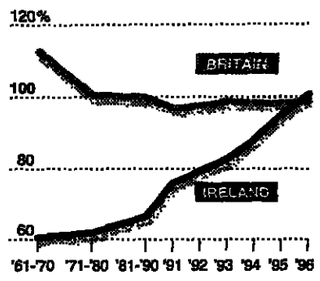
The end of this dominant feature of Irish life is emblematic of the profound changes that have come over this society.

The place whose self-confessed national gesture was the tug of the forelock and whose talismans bespoke nostalgia, diversion and melancholy finds itself today with Europe's fastest-growing economy and a young, continental-inclined citizenry redefining Irishness in exuberant new ways.

The Irish have thrown over what they considered the inhibiting influence of the church and explored the possibilities opened up by higher education. If the centerpiece of the Irish workplace was long the plow, now it is the computer keyboard, a telling symbol of the new Irish condition because while it promises progress for the growing numbers of the literate, it also leaves even farther behind dismayingly large numbers of the unskilled.

Ireland Moves Ahead

New figures show that Ireland's per capita gross domestic product has edged ahead of Britain's. Taking the European Union average as 100 percent, the new figures for 1996 show Ireland's per capita GDP at 100.7 percent compared with 98.9 percent for Britain."



*At current market prices. Currencies converted on the basis of equivalent purchasing power.

Source: European Commission NYT

"These people returning from England and America are very important for us," said J. J. Lee, a historian from University College Cork and a member of the Irish Senate. "They bring back the message that they went abroad and found that the Irish could be competitive."

Joe O'Brien, 37, an architect who has returned here to his home city after years of designing and building in London, said, "There is a fantastic buzz in the country, there's a really good feeling."

Eighteen of the 20 members of his University College Dublin School of Architecture class of 1984 emigrated, and he said he believed that almost all had now come back. "When I left, I had no illusions about returning," he said.

Mr. O'Brien stood on one of the stone bridges spanning the Lee River talking to Jeff Robinson, 32, a graduate of Trinity College Dublin who was one of the 14 of his class of 16 engineering students in 1986 who emigrated, but is now back to head the new Cork office of Ove Arup & Partners consulting engineers.

There is so much opportunity in Ireland that industries are holding recruitment fairs in downtown hotels, setting up booths at airports and publishing "We need you back in Ireland" advertisements aimed at persuading young Irish men and women abroad that the country now offers the challenge for their skills and the wages to make returning a good bet.

What is luring them back is a country that has an annual economic growth rate of 7 percent, inflation of less than 2 percent, a declining deficit and surging consumer confidence represented by record levels in telling indices like new car sales and housing starts. Ireland's growth rate is nearly three times that of Britain, which is credited with having the most buoyant economy of any major European country.

In a statistic that is arresting when considered in the context of the traditional relationship between Ireland and Britain, the per capita gross domestic product here has just surpassed that of Britain.

"The Irish people of my day definitely suffered from an inferiority complex, and we had 30,000 to 40,000 emigrating to Britain every year," said Tom Mitchell, provost of Trinity College Dublin. "We had achieved political autonomy from the British, but no other kind," he said. "Ireland took to Europe like a duck to water."

Designated as one of the less wealthy nations in the European Union, Ireland qualified for subsidies of more than $3 billion a year and has been canny in putting it to use.

The country has established a sound infrastructure and attracted a vast number of multinational companies in information technology and pharmaceuticals with generous development deals and draws like a corporate tax rate of only 10 percent.

Ireland's small-farm-based agriculture has been particularly well suited to the European Union's Common Agricultural Policy that has established secure prices in what had long been an area of Irish life that was particularly vulnerable to pressures outside the country's control.

In the most visible benefit of European benevolence, Ireland's cities are now linked by modern highways. Big rectangular blue billboards with the European Community symbolic corona of stars overlook intersections and cloverleafs announcing where major financing for the improvement came from.

Giant cranes lumber across Dublin's skyline, and glass and steel buildings are rising in areas of the city that once were so derelict and dreary that Western filmmakers favored them as standins for inaccessible Eastern bloc locations. Gracious Georgian residences in city centers are being restored.

What will be the largest employment site in Dublin, the International Financial Services Center, is going up on the abandoned docks next to the old Customs House on the Liffey River. A principal project manager of the development is, predictably, a 32-year-old Irishman named Stephen Kilroy who joined all but one of the 24 engineering graduates in his 1987 class in emigrating, in his case to the United States, and has now returned.

Sixty percent of all business-application software and 40 percent of all personal-computer packaged software sold in Europe is made in Ireland. Indeed, Ireland has done so well that it will probably find itself no longer on the receiving line when its deal with Brussels, where the European Union is headquartered, comes up for review in 1999.

"It will be interesting to see how we react when we suddenly are asked to go and pay for roads in Poland," said Kevin Myers, a columnist for The Irish Times.

The one deeply preoccupying aspect of this spreading prosperity is an unemployment rate of nearly 12 percent and the dismaying fact that the creation of more than 45,000 new jobs a year does little to cut into it. The rate reflects a group of unskilled and untutored people in the inner-city slums and concrete-block suburban housing projects whom the new Irish economy does not accommodate.

"And we are not talking small numbers," said Mr. Mitchell. "There are tens of thousands of them."

There are neighborhoods in Dublin with unemployment rates as high as 70 percent, along with drug addiction and crime that is being passed along generationally. "The children are trapped," Mr. Mitchell said. "There is no equality of opportunity in terms of education and teaching skills for them."

Hugh Frazer, head of the government's Combat Poverty Agency, acknowledged the gravity of the problem but said he thought some aspects of Ireland's culture might ease it.

"There's a degree of social solidarity here because we are a relatively classless society," he said. "The concept of structural poverty has been accepted, and our challenge is to see if we can make a modern society an inclusive one."

Mr. Frazer also argued that the newness of Irish prosperity gave the country a leg up. "In an expanding situation it's easier to get at the resources," he said. "It's more difficult to redistribute existing resources."

There is broad consensus on what is behind the Irish resurgence.

"The credit must go to the reforms in education," said Nicholas Koumarianos, a Briton who is the managing director in Ireland for the telecommunications concern Cable and Wireless PLC. Mr. Mitchell dated the moves to the middle 1960s, when the government made secondary education free and put school buses on the back roads to ferry students from remote areas.

If education and progress are the new adopted religion of Ireland, the Roman Catholic Church is rapidly becoming the old discarded one.

Cabinet ministers freely use the phrase "post-Catholic Ireland," and a well-regarded new book by the writer Mary Kenny is titled "Goodbye to Catholic Ireland."

Rocked by a series of sexual scandals involving pedophilia and priests who have secretly fathered children, the church confronts an increasingly secular society that no longer follows its dictates on social and sexual behavior.

Tourism is so successful that more people visit here each year (4.7 million) than live here (3.6 million). And the Irish confess, with no apparent smugness, that among the selling points are themselves.



Jonathan Player/The New York Times

Joe O'Brien, left, and Jeff Robinson both returned to their native Ireland when opportunities there improved.

V. S. Pritchett, 96, Prolific Writer and Critic, Dies

By Sarah Lyall
New York Times Service

LONDON — V. S. Pritchett, the versatile and astoundingly prolific English writer who over a six-decade career became a master of fiction, nonfiction, biography and literary criticism, died Thursday at Whittington Hospital here. He was 96 years old.

A man of letters in the tradition of Charles Lamb, Edmund Wilson and William Hazlitt — at 88, he published his last biography, of Chekhov — Sir Victor was perhaps best known for his dozens of meticulously observed short stories, in which he chronicled the extraordinary underpinnings of ordinary lives.

Victor Sawdon Pritchett was born to genteel lower-middle-class poverty in Ipswich, Suffolk, on Dec. 16, 1900, near the end of the reign of Queen Victoria, for whom he was named.

"There was this cocksparrow, my father, now a commercial traveler, dressy and expansive with optimism, walking in and out of jobs with the bumptiousness of a god," he wrote in "A Cab at the Door" (1968), the first volume of his memoirs. "There was our sulky, moody mother, either laughing or in tears."

His father was a boundlessly optimistic but chronically unsuccessful businessman whose failed ventures necessitated frequent and sudden departures in the cab that attended at the door. By the time he was 12, the Pritchetts had moved 18 times around London districts and suburbs.

As a result, his education was undisciplined, haphazard and often underachieving, although he showed a precocious aptitude for languages. He also began a lifelong habit of voracious reading of anything he could lay his hands on.

"That I understood very little of what I read did not matter much to me," he wrote. "I was caught by the passion for print as an alcoholic is caught by the bottle." He decided to become a poet, but met with opposition at home, where his father worried, Sir Victor wrote, that he would "starve in a garret."

At 15, he was forced to leave school and was packed off to a menial clerical job at a leather wholesaler. At 20, he moved to Paris with very little money, vowing never to return. He stayed just two years, working at a variety of odd jobs — among them a photographer's assistant on Boulevard des Italiens, and a door-to-door salesman of paint, shellac and glue — while yearning to write.

The Christian Science Monitor published several free-lance essays before making him the paper's Ireland correspondent, later sending him to Spain, which was as exotic to him as China. "I spoke no Spanish," he wrote in "Midnight Oil." "The only thing I knew about Spain was that it had had the Inquisition and that the Armada had been defeated."

But Spain was to figure in his imagination for the rest of his life, and his impressions of it led to a book of short stories, "The Spanish Virgin and Other Stories" (1930) and "Marching Spain" (1928), an account of a walking trip from south to north.



Mark Gerson/Camera Press

V. S. Pritchett, "caught by passion for print."

After a brief assignment in the United States, where he wrote about poor families in Appalachia and filled notebooks with dialogue, both he and The Monitor had had enough. "My prose was at last too much for them," he said. "I was sacked."

He moved back to London and found his way to the offices of The New Statesman, where he was almost immediately put to work. His association with that journal was to last for 40 years, the first 20 of which, he wrote, he had to "work for other papers in order to afford to write for it."

But Sir Victor was never again satisfied with a single genre of writing, and combined his book reviews with published fiction of his own. His earlier efforts were greeted coolly by the critics and none sold particularly well. His last, and best-known, novel, "Mr. Beluncle," whose protagonist's religious zealotry was loosely based on the adherence to Christian Science of his father, was published in 1951.

From then on, his fiction was confined mostly to short stories, a form in which he was generally acknowledged a master. He wrote with pointillist understanding about the lives of lower-middle-class people — shopkeepers, pub owners, clerks, antiques dealers, housewives — in a clear, economical, often humorous style that never showed off and never talked down to his readers. He had an ear for dialogue and an eye for detail.

Sir Victor's fourscore-and-some short stories were collected in 1990 in a single volume, "The Complete Short Stories."

As he gained attention for his short stories, he was also becoming a critic of renown and influence. His book reviews and essays appeared for decades in a regular column in The New Statesman and later in The Nation.

The convergence between a writer's life and work was of interest to him, and he took this theme further in a number of biographies, including "Balzac" (1974); "The Gentle Barbarian: The Life and Work of Turgenev" (1977) and "Chekhov: A Spirit Set Free" (1988).

In 1975, Sir Victor was knighted for services to literature; four years later, at the age of 79, he published "The Myth Makers," a guide to world fiction that included essays on 19 non-English writers, among them Flaubert and Dostoyevsky.

Well into his late 80s, Sir Victor carried on with a workload that would have overwhelmed many younger writers. It was only in recent years that he began to slow down. But visitors to his home in Camden Town invariably found him cheerful, modest, invigorated by the world and happy in his work.

He preferred to use his initials because, he once said, he liked their anonymity. Besides, he added, "to have added the 't' of Victor to a name that already had three, and was already made fidgety by a crush of consonants and two short vowels, seemed ridiculous."

Wilbert Vere Awdry, 85, an Anglican clergyman who was the author of the internationally known "Thomas the Tank Engine" series of children's books, died Friday at his home in Stroud, Gloucestershire, England. The stories were also the basis of television series on British ITV and Public Television in the United States.

Erik de Mauny, 76, the BBC's first resident correspondent in Moscow, died Wednesday. His 30-year career included assignments in the United States, Europe and the Middle East.

TRAVEL UPDATE

Small U.S. Planes Are Safe

WASHINGTON (WP) — The Federal Aviation Administration has announced that the little planes used by the nation's commuter airlines are as safe as the big ones.

The agency said that 33 of the 39 commuter airlines are in compliance with a rule adopted by the government in December 1995 that requires airlines operating aircraft with 10 to 30 seats to meet the same safety standards as the major airlines, or equivalent standards.

American Nears Contract

WASHINGTON (AP) — Negotiators for American Airlines and two unions representing its pilots said they believed they had worked out key details on a proposed contract but would have to examine the fine print on paper to be sure.

The board of the Allied Pilots Association adjourned late Saturday and will meet again April 3 and 4 to go over final contract language.

Tour buses in San Juan, Puerto Rico, were escorted by the police from the airport to key hotels after five tour buses were burned in attacks possibly linked to a taxi drivers' strike. *(AP)*

More than 200 people were trapped in the Austrian ski resort of Stubach after a rockfall blocked a road, but no one was injured, the police said. *(AFP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Albania, Colombia, Guyana, India, Iran, Israel.

TUESDAY: Cyprus, Greece, San Marino.

WEDNESDAY: Bangladesh, El Salvador, Mali, Norway.

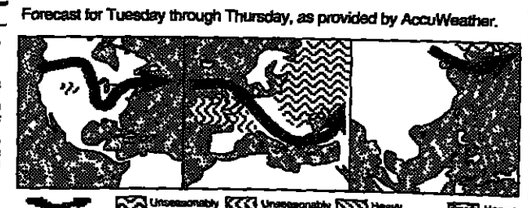
THURSDAY: Argentina, Brazil, Burma, Colombia, Costa Rica, Denmark, Ecuador, El Salvador, Finland, Guatemala, Honduras, Iceland, Mexico, Nicaragua, Norway, Paraguay, Peru, Philippines, Spain, Uruguay, Vatican City, Venezuela, Virgin Islands.

FRIDAY: Andorra, Angola, Argentina, Aruba, Australia, Austria, Bahamas, Barbados, Belgium, Belize, Bermuda, Bolivia, Botswana, Brazil, Britain, Cameroon, Canada, Chile, Colombia, Costa Rica, Croatia, Denmark, Dominican Republic, Ecuador, El Salvador, Equatorial Guinea, Estonia, Finland, France, French Guiana, Gambia, Germany, Ghana, Gibraltar, Grenada, Guam, Guatemala, Guyana, Haiti, Honduras, Hong Kong, Iceland, India, Indonesia, Ireland, Jamaica, Kenya, Latvia, Lebanon, Lesotho, Liberia, Liechtenstein, Lithuania, Luxembourg, Macau, Madagascar, Malawi, Malta, Mexico, Namibia, Netherlands, Netherlands Antilles, New Zealand, Nicaragua, Nigeria, Norway, Panama, Paraguay, Peru, Philippines, Portugal, Puerto Rico, Seychelles, Sierra Leone, Singapore, Slovakia, South Africa, Spain, Sri Lanka, Suriname, Swaziland, Sweden, Switzerland, Tahiti, Tanzania, Uganda, United States, Uruguay, Vatican City, Venezuela, Virgin Islands, Serbia, Zambia, Zimbabwe.

SATURDAY: Australia, Botswana, Brazil, Central African Republic, Chile, France, Guatemala, Hong Kong, Macau, Madagascar, Panama, Spain, Suriname, Taiwan, Vatican City, Zambia, Zimbabwe. *Sources: J.P. Morgan, Reuters, Bloomberg.*

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
A huge ridge will bring hot weather to the southwestern part of the country again. A trough will keep the Great Lakes area chilly. A large storm will bring rain to the Ohio Valley on Tuesday. As it encounters colder air, it may bring a period of wet snow to New England Tuesday night.

Europe
Unsettled weather will affect the northern tier from Berlin to Warsaw. Showers could affect London and Amsterdam Wednesday. Northwestern Europe will be mild and temperatures will moderate in the northeast. Chilly in the Southeast, while the Iberian Peninsula will be cool and unsettled.

Asia
Unsettled and chilly weather will affect northern Japan Tuesday, then it will turn milder. Beijing, Seoul and Tokyo will be mainly dry and seasonable, though watch for a shower in Seoul Wednesday, then Tokyo Thursday. Warm in Hong Kong and Singapore with a thundershower around each day.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	24/75	12/53 s	22/71	12/53 s
Amsterdam	10/50	7/44 r	11/52	8/46 pc
Ankara	-2/29	-9/16 sf	-1/31	-9/16 sf
Athens	8/46	3/37 pc	11/52	7/44 sh
Barcelona	16/61	8/46 pc	13/55	5/41 pc
Belgrade	7/44	-2/29 pc	13/55	3/37 c
Berlin	7/44	2/36 c	7/44	3/37 sh
Brussels	11/52	6/43 r	11/52	6/46 pc
Budapest	5/41	-3/29 pc	6/43	1/34 sh
Copenhagen	3/37	-2/29 sh	4/39	2/36 c
Costa Del Sol	24/75	12/53 s	21/70	11/52 s
Dublin	11/52	8/46 c	12/53	12/53 r
Edinburgh	11/52	3/37 c	15/59	8/46 c
Florence	13/55	6/43 r	18/61	7/44 c
Frankfurt	10/50	6/43 c	11/52	6/43 sn
Geneva	11/52	7/44 sh	9/48	4/39 r
Helsinki	-7/20	-12/11 c	-8/18	-10/15 sn
Istanbul	0/32	-3/27 sn	8/43	0/32 pc
Las Palmas	21/70	18/61 pc	21/70	15/59 pc
Lisbon	21/70	12/53 s	19/66	12/53 s
London	13/55	3/37 r	13/55	12/53 c
Madrid	21/70	6/43 s	17/62	4/39 pc
Mallorca	14/57	9/48 pc	11/52	5/43 pc
Milan	16/61	6/43 pc	16/61	5/41 sh
Moscow	-5/24	-11/13 c	-4/25	-13/9 c
Munich	8/46	1/34 c	8/46	1/34 r
Nice	18/64	9/48 s	14/57	10/50 sh
Oslo	2/36	-1/31 sn	2/36	-1/31 sn
Paris	11/52	3/37 sh	11/52	7/44 pc
Prague	8/46	2/36 c	8/46	1/34 r
Reykjavik	6/43	3/37 r	4/39	0/32 sn
Rome	13/55	6/43 r	16/61	6/48 pc
St. Petersburg	-7/20	-14/7 c	-7/20	-13/9 pc
Stockholm	-2/29	-8/18 c	2/36	-4/25 sn
Strasbourg	13/55	6/46 c	11/52	6/43 r
Tallinn	-7/20	-12/11 c	-7/20	-9/16 sn
Venice	11/52	6/43 r	12/53	6/43 r
Vienna	6/43	1/34 sn	8/46	4/39 r
Warsaw	2/36	-5/22 c	3/37	-5/24 pc
Zurich	10/50	5/41 c	9/48	4/39 r

Middle East

Abu Dhabi	35/77	19/66 r	31/88	18/61 s
Beirut	12/53	5/41 sh	11/52	3/37 pc
Cairo	18/64	6/43 s	22/71	8/46 s
Damascus	8/46	-1/31 pc	10/50	-2/29 pc
Jerusalem	8/46	-1/31 pc	8/46	-1/31 pc
Luxor	28/79	7/44 s	34/75	11/52 pc
Riyadh	28/84	10/50 s	29/84	12/53 s

North America

Anchorage	0/32	-11/13 pc	0/32	-9/16 pc
Atlanta	22/71	10/50 s	21/70	12/53 c
Boston	7/44	-2/29 s	8/46	4/39 pc
Chicago	7/44	5/41 sh	10/50	2/36 r
Dallas	24/75	12/53 c	20/68	8/46 sh
Denver	9/48	-5/24 pc	11/52	0/32 pc
Detroit	6/43	1/34 pc	14/57	3/37 r
Honolulu	27/80	18/66 pc	28/82	18/66 pc
Houston	26/79	17/62 pc	23/73	13/55 r
Los Angeles	20/73	13/55 s	27/80	11/52 s
Miami	27/80	20/68 c	27/80	21/70 pc
Minneapolis	1/34	-3/27 sn	7/44	-2/29 pc
Montreal	-6/22	-13/9 pc	4/39	2/36 c
Nassau	29/79	20/68 pc	26/79	19/66 pc
New York	7/44	1/34 s	11/52	7/44 pc
Orlando	26/79	16/61 pc	27/80	17/62 pc
Phoenix	27/80	11/52 s	25/77	11/52 s
San Fran.	24/76	11/52 s	22/71	11/52 s
Seattle	12/53	7/44 c	16/61	7/44 pc
Toronto	-2/28	-4/25 pc	12/53	2/36 sn
Vancouver	9/48	6/46 r	16/64	8/46 s
Washington	11/52	2/36 s	16/61	8/46 c

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bali	33/91	21/70 s	32/91	21/70 pc
Bangkok	33/91	24/75 pc	32/89	23/73 pc
Beijing	17/62	6/43 s	16/61	7/44 pc
Bombay	29/84	19/66 s	28/82	19/64 s
Calcutta	32/89	19/66 s	32/89	19/66 s
Chiang Mai	33/91	23/73 pc	32/89	23/71 pc
Colombo	29/84	23/71 pc	28/84	22/71 pc
Hanoi	23/73	17/62 c	23/73	19/66 sh
Ho Chi Minh	35/95	23/73 s	33/91	23/73 pc
Hong Kong	21/70	17/62 c	22/71	18/64 sh
Islamabad	29/79	11/52 pc	27/80	12/53 s
Jakarta	30/86	23/73 pc	29/84	23/73 c
Karachi	29/82	15/59 s	29/84	17/62 s
K. Lumpur	32/89	22/71 pc	31/88	22/71 r
K. Kinabalu	32/89	24/75 pc	32/89	25/77 r
Manila	31/88	21/70 pc	31/88	20/68 pc
New Delhi	32/89	13/55 s	33/91	13/55 s
Phnom Penh	34/93	22/71 s	33/89	23/73 pc
Phuket	33/91	24/75 pc	32/89	23/73 pc
Rangoon	33/91	24/75 pc	32/89	23/73 pc
Seoul	11/52	-1/31 s	12/53	1/34 pc
Shanghai	12/53	5/41 s	14/57	13/55 sh
Singapore	33/91	26/79 pc	33/91	26/79 r
Taipei	18/64	13/55 c	22/71	17/62 c
Tokyo	9/48	-2/28 s	13/55	3/37 s
Vientiane	22/71	19/64 c	23/73	19/66 sh

Africa

Algiers	20/68	6/43 s	13/55	4/39 r
Cape Town	21/70	15/59 s	18/66	12/53 sh
Casablanca	24/75	13/55 s	24/75	12/53 s
Harare	29/84	14/57 pc	29/84	14/57 pc
Lagos	31/88	24/75 pc	31/88	23/73 pc
Nairobi	27/80	15/59 pc	29/84	13/55 pc
Tunis	17/62	7/44 pc	17/62	7/44 pc

Latin America

Buenos Aires	20/68	11/52 s	22/71	13/55 pc
Caracas	29/82	21/70 c	29/84	22/71 pc
Lima	29/79	19/66 sh	29/79	20/68 pc
Mexico City	24/75	7/44 pc	24/75	9/48 pc
Rio de Janeiro	27/80	19/66 pc	25/77	19/66 pc
Santiago	24/75	7/44 s	24/75	7/44 s

Oceania

Auckland	19/66	13/55 pc	19/66	12/53 s
Sydney	22/71	18/61 pc	22/71	15/61 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Filling Coffers For His Party Helps Gingrich Retain Clout

By Leslie Wayne
New York Times Service

WASHINGTON — For Republicans, he was everywhere last year.

Candidates running for Congress, especially in tight races, knew they could count on a fund-raising visit from the House speaker, Newt Gingrich — and plenty of campaign cash on top of that.

His voice blared out of telemarketing calls made by the Republican Party, and his name and face were prominently displayed in Republican fund-raising pleas. One flier offered, for a $250 donation, an "official replica" of "the Gavel that changed America!" — a copy of the gavel Mr. Gingrich uses as speaker.

Mr. Gingrich, perhaps the most visible Republican Party member, is also its most potent fund-raiser.

By the party's own account he raised more than $100 million for Republican House candidates in the last election. His arm-twisting prowess is also one of the reasons Republican Party committees outspent Democratic Party committees 3-to-1 to retain control of Congress.

In addition, from his own campaign war chest and "leadership" political action committee, the Monday Morning PAC, Mr. Gingrich gave more to other House candidates than he spent on his own re-election. He raised enough money for himself — more than $6 million — to wage the most expensive House race of 1996 and to cover $1 million in legal bills related to ethics charges against him in the House.

"Mr. Gingrich's political star may have fallen," said Edward Rothschild, public-affairs director of Citizen Action, a nonprofit research group, "but his creativity and abilities have not.

"Newt Gingrich is the godfather of the new Republican Party. He has a very, very strong grasp of the importance of money — of raising money and applying it where it should be applied, both strategically and tactically. He's the one who helped the Republicans get into power in Congress, and he's the one helping them stay there."

Mr. Gingrich's fund-raising efforts help explain his influence in Republican circles despite the unprecedented ethics reprimand against him.

"One reason for such a reservoir of loyalty toward Newt is because of his tireless efforts on behalf of his GOP colleagues," said a former close adviser of Mr. Gingrich's.

In the 18 months of the last campaign, Mr. Gingrich attended 132 fund-raisers on behalf of Republican candidates.

Central to his power is his role in pulling the National Republican Congressional Committee, which raises money for congressional candidates, out of a $4.6 million debt before the 1994 election and instituting the Incumbent Protection Fund. It is a program under which Republican incumbents "tithe" into a party campaign fund, with the proceeds going to those in tight races.

Freshman members of Congress are required to give $2,500 a year, others $5,000. Subcommittee chairmen are assessed $6,500 and committee chairmen must give $7,500. In the last election more than 85 percent of House Republicans contributed, giving $1.7 million to the fund through assessments and $9 million in extra donations. The program has been so successful that the Democratic Congressional Campaign Committee this month has copied it and is now assessing "dues" ranging from $5,000 to $20,000 on all House Democrats.

In his own re-election campaign, Mr. Gingrich was pitted in the 6th District of Georgia against Michael Coles, founder of Great American Cookie Co., who spent $2.4 million of his own money.

Michael Shields, a spokesman for Mr. Gingrich's campaign, said: "Our opponent was a millionaire who said he would spend what it takes to buy the seat. We had to prepare to fight."

In fact, very little of the money donated to Mr. Gingrich's campaign went for campaign expenses.

He used $1.1 million in campaign money to cover legal bills stemming from the congressional ethics charges that he used tax-exempt money for partisan purposes. Although that is legal, nowhere in his campaign literature were potential donors told that this was where the money was headed.

It is still unclear whether Mr. Gingrich will use some of the $1 million left from his 1996 campaign to cover the $300,000 penalty assessed in January by the House Ethics Committee.

From campaign money, Mr. Gingrich also gave $250,000 to the Republican National Committee, $315,000 to the Republican congressional campaign committee and $5,000 directly to five other House candidates. Also, through his Monday Morning PAC, he made donations of an additional $1.1 million to other Republicans running for the House. In all, he gave away $1.7 million.



Erika Sugita/Reuters

Mr. Gore and his wife, Tipper, arriving at the Tokyo airport on Sunday.

No Cuts in GIs in Japan, Gore Says

Reuters

TOKYO — Vice President Al Gore arrived in Tokyo on Sunday at the beginning of an eight-day trip to Asia and promptly ruled out any cuts in U.S. military forces in Japan, saying it was the "worst time" for such reductions.

Although the primary focus of Mr. Gore's trip to the region centers on the four days he will spend in China, his meeting with Foreign Minister Yukihiko Ikeda underscored a lingering problem Washington faces in Japan — the controversy over the size of its military contingent here.

As he posed for pictures with Mr. Ikeda, Mr. Gore was asked if the current force could be reduced over the next decade. "I think we need them now and for the foreseeable future," he replied.

"In my view, this would be the worst time to have some reduction in U.S. forces here," Mr. Gore said. "The current level is the appropriate level."

Mr. Ikeda said: "The Japanese government feels the same."

The authorities on Okinawa, where about half of the 40,000 U.S. troops in Japan are stationed, want the bases closed by 2015. The government strongly opposes the demand.

On Monday, Mr. Gore is to meet with Prime Minister Ryutaro Hashimoto, deliver a speech on environmental issues and visit a U.S. air base before departing for Beijing and a meeting the next day with President Jiang Zemin.

"This visit is intended to reaffirm once again America's commitment to the region overall," Mr. Gore said on his arrival. "The security and prosperity of the United States is vitally tied to the Asia-Pacific region."

Earlier, talking with reporters on Air Force Two, he sounded upbeat about the chances for improving relations with China, which has clashed with Washington recently over trade issues, Taiwan and human rights.

"Change is taking place rapidly inside China," Mr. Gore said, adding: "The growth of the free sector of their economy is far outstripping the growth in the state-owned sector."

He continued, "Both our countries are clearly signaling to one another that we want to find a way to move forward in the relationship."

He said he planned to discuss a broad range of issues that included the environment and the future of Hong Kong.

"I hope to have meaningful discussions in China," Mr. Gore said.

He said he would "touch on every issue that has a particular impact for our two countries" — including accusations that the Chinese government tried to funnel money to influence last year's presidential elections and some congressional races.

Mr. Gore will be the highest-ranking U.S. official to visit China since President George Bush in 1989 — shortly before Chinese troops brutally ended the Tiananmen Square protests.

At least part of the vice president's discussions will deal with preparations for an exchange of visits by President Bill Clinton and Mr. Jiang. The Chinese leader is expected to visit the United States late this year and Mr. Clinton tentatively plans to go to China in 1998.

Mr. Gore said that high on his agenda was a discussion about possible four-way negotiations between the two Koreas and the United States and China, an idea that was proposed in April by Mr. Clinton and President Kim Young Sam of South Korea.

The talks would be designed to bring a formal end to the Korean War, which Washington hopes would defuse continuing tension on the Korean Peninsula.

5 Bodies Found in Quebec Linked to Cult Known for Suicides

Agence France-Presse

ST. CASIMIR, Quebec — The bodies of three men and two women were found in a Quebec home belonging to a member of the Swiss-based Order of the Solar Temple cult, the police said here Sunday.

Authorities said the possibility of a collective suicide was being investigated. More than 50 members of the sect died in apparent group suicides in 1994 and 1995.

The Quebec police said they had asked colleagues in Belgium, France and Switzerland to help in the latest probe and to check if there were any new cases of murder or suicide by members of the cult in those countries.

The discovery was made late Saturday after a passerby noticed smoke coming from the house in this small community southwest of Quebec City.

Fire fighters arrived quickly to put out a blaze within the house, said officials, and found one body near the entrance and four more upstairs.

Pierre Robichaud, a spokesman for the Quebec Provincial Police, said three teenagers were found behind the house "in a state of confusion."

"They have been treated by a doctor and they are not in any danger," he said. The youths were a 13-year-old girl and two boys, aged 14 and 16.

Mr. Robichaud said the reason for their state of confusion was still not known and that it was possible they had been drugged. He said the cause of death of the five victims was still being investigated.

Asked if the owners of the house were already known to the police, Mr. Robichaud said: "The last time we had met these people was around the summer solstice, when we had certain information that we thought merited investigation."

Without identifying the victims, Mr. Robichaud said the house belonged to a known member of the Order of the Solar Temple, a cult that became widely known in 1994 and 1995 with the apparent mass suicides and murders of members in Canada, France and Switzerland. A total of 53 members of the cult are known to have died in Quebec and Switzerland in 1994. Most of the bodies were found in a burned-out farm house and three chalets in Switzerland; five bodies were discovered in a burned house in Morin Heights, near Montreal, within hours of the discovery in Switzerland.

In 1995, another 16 members of the cult were found dead in a burned house near Grenoble, in the French Alps.

POLITICAL NOTES

Coffee With Clinton (He Knew the Tab)

WASHINGTON — President Bill Clinton and Vice President Al Gore were routinely notified of how much political cash was expected — and raised — from each White House coffee, documents show.

In regular memos to Mr. Clinton and Mr. Gore, the former White House deputy chief of staff, Harold Ickes, treated the coffees just like any other fund-raising event. He gave both a projected and actual amount in contributions — usually $400,000.

The documents were described to The Washington Post by three individuals who have seen them.

It was known previously that the Democratic National Committee, which organized the events, projected how much it would pull in from each event, and kept track of the contributions that came in. But Mr. Clinton has depicted the meetings principally as opportunities to talk about issues, not as money-makers.

There is no evidence that guests were solicited in the president's presence; Democratic fund-raisers typically waited until afterward. *(WP)*

Republican Faces FBI Investigation

WASHINGTON — The FBI has begun a preliminary inquiry into allegations that Representative Dan Burton, Republican of Indiana, threatened a lobbyist with loss of work last year if he did not raise funds for Mr. Burton's campaign.

Disclosure of the inquiry came on the same day that Mr. Burton, the chairman of the House Government Reform and Oversight Committee, was given a $3.8 million budget to lead a congressional investigation of Democratic campaign fund-raising.

An FBI agent has scheduled an interview this week with Mark Siegel, a former lobbyist for the Pakistani government, who alleged in a memo that he had been "shaken down" by Mr. Burton. *(WP)*

Chief Tries Crutches

WASHINGTON — President Clinton tried walking on crutches during the weekend and spent much of the time in physical therapy after returning from a two-day summit meeting with President Boris Yeltsin in Helsinki.

Mr. Clinton had been using a wheelchair since undergoing surgery on his knee March 14. Because of the injury, he is considering postponing a trip to Mexico. *(WP)*

Quote/Unquote

Tom Rosenstiel, director of the Project for Excellence in Journalism, sponsored by the Pew Charitable Trust, on why the liberal press has not leaped to the defense of President Clinton in the fund-raising scandals: "There is more of a team mentality on the conservative side. There is, for instance, a great deal more intellectual collaboration between The Wall Street Journal editorial pages and Republican policymakers than there is with any liberal editorial page and any Democratic policymaker. There is no sense of loyalty to party among liberal commentators and editorial pages." *(NYT)*

'Stratospheric Numbers' in Libel Award

By Howard Kurtz
Washington Post Service

WASHINGTON — In the largest libel award in American history, a jury in Houston has ordered Dow Jones & Co. to pay $222.7 million to a bond firm that shut its doors weeks after a damaging article was published by The Wall Street Journal.

After 12 hours of deliberation, the seven-member federal jury awarded the former owners and employees of MMAR Group of Houston $22.7 million in compensatory damages and $200 million in punitive damages. The author of the 1993 article, Laura Jereski, was ordered to pay $20,000.

"Obviously we're disappointed," said Jim George, the attorney for Dow Jones. "The punitive damages are completely unfounded. I don't believe they can be supported as a matter of law. There's no evidence the reporter or The Wall Street Journal had any doubts about the truth of the story."

Kent Harwell, a lawyer for MMAR, or Money Management Analytical Research, called the magnitude of the award "powerful evidence of libel that never should have happened. They published false and defamatory statements. They painted MMAR as being engaged in criminal conduct."

Floyd Brown, a First Amendment lawyer in New York, said of the award: "The numbers are so stratospheric that, if they were to be sustained, they would lead to a sea change in the behavior of all journalists. No journalistic organization, no matter how wealthy, can survive judgments like this. If it was upheld even in part, lawyers would have to start giving far more restrictive advice than they do now."

But Mr. George said the plaintiffs "played very hard on the theme that 94 people were laid off and put out on the street." He added that journalists "are not among the most popular people in America" and that "the messenger is often killed."

Paul Steiger, managing editor of the Journal, published by Dow Jones, said the paper would appeal. "We were chronicling the difficulties of this company," he said. "We did not cause them."

The largest previous U.S. libel award against a news organization was for $58 million in 1991 against the television station WFAA in Dallas in a suit by a former prosecutor. The case was later settled for an undisclosed amount.

"All the really gigantic libel awards have come out of Texas the last few years," said Jane Kirtley, executive director of the Reporters Committee for Freedom of the Press. "Maybe there's something in the water in Texas." She said that about three-quarters of libel awards against news organizations were overturned on appeal.

In recent months, juries have ordered the ABC television network to pay $10 million to a Florida banker and $5.5 million to the Food Lion supermarket chain. The Food Lion supermarket case involved charges of fraud and trespassing, not libel.

Canada Detains 2 Saudis for Dhahran Blast

Washington Post Service

TORONTO — The Canadian authorities have detained two Saudi Arabians in connection with the bombing last summer in Dhahran, Saudi Arabia, that killed 19 American airmen and wounded 500 others, and one of them interests the FBI, Canadian officials said.

Hani Abdel Rahim Sayegh was detained Tuesday in Ottawa as "a security risk to Canada," said Benoit Chiquette, spokesman for the immigration minister.

Mr. Chiquette said he could not elaborate on the reasons for the detention, but that there was enough concern about Mr. Sayegh for both Immigration Minister Lucienne Robillard and Solicitor General Herb Gray to sign documents ordering his arrest.

The authorities said the second Saudi, Fahad Shehri, arrived in Canada in December, claiming refugee status. As he was being interviewed, he said he needed protection because he was being sought in Saudi Arabia in connection with the bombing and feared for his life.

In Washington, the FBI said in a statement that it hoped to question Mr. Sayegh about the June 25 bombing of the Khobar Towers. The statement indicated that Mr. Sayegh's arrest was a result of cooperation among American, Saudi and Canadian investigators.

An official with the Canadian Security Intelligence Service said the agency believed that Mr. Sayegh had committed a criminal act abroad, had been involved in an act of terrorism and was a member of a terrorist group.

Away From Politics

• **The body of a 3-year-old boy** was recovered from the jaws of an alligator that killed him while he was playing by a lake near New Smyrna Beach, Florida. *(Reuters)*

• **A minivan crowded with 21 people** went out of control and crashed on Interstate 70 near St. Louis, Missouri, killing three children and injuring all 18 others on board. The Ford Aerostar ran up an embankment and overturned. Ford representatives said seating capacity in an Aerostar is eight. *(AP)*

• **Two Brooklyn women** were arrested for posing as nuns to solicit charitable contributions in the Bronx. *(NYT)*

AMERICAN TOPICS

A Town That Revels in the Rain

The tanning beds are particularly popular this time of year at the hair salons and health club in Forks, Washington. That's because Forks lies in Olympic National Park, in the northwestern tip of Washington, where the sun is at best an occasional visitor during the winter and early spring. It rains more than 12 feet (3.7 meters) a year there — not to mention the extra 30 inches that comes in the form of "fog drip."

The intemperate climate in this, one of the last temperate rain forests on the planet produces some of the world's grandest trees and fabulous growths of moss, notes The Seattle Times. It also shapes the people.

It separates them from Seattle, which receives a mere 34 inches of rain a year. And it gives them two distinct seasons: the summer, when skies are clear and tourists invade, and the rest, when popular pursuits include reading, watching the river banks rise, and dodging raindrops.

Candice Steed manages the Hard Rain Café & Mercantile in Forks. The café is an unofficial museum to the slug — a small, slimy creature that resembles a shell-less snail. Ms. Steed believes there are more slugs per acre here than anywhere.

There are a lot of fish and game, too, which she said she loves. She also loves the rain.

"I love the sound as it hits the roof," she said. "I love the lush green world it creates. I love that it keeps this place from being overbuilt. I love the feeling of aloneness."

Short Takes

Golf carts used to be confined largely to golf courses. Now they can be seen on public roads near retirement communities in Florida, California, Arizona and elsewhere. Federal regulators say they want to classify the faster models — those that go 15 miles per hour (24 kilometers per hour) — as "golf cars," and to require that they be equipped with headlights, turn signals, tail lights, reflectors, mirrors, parking brakes, windshields and seat belts. So far, no air bags or antilock brakes.

In the country's first traffic school on the Internet, motorists in parts of the Los Angeles area who want to expunge traffic tickets can now take an eight-hour course, followed by a 75-question test, over the World Wide Web.

The cost of laughing is up again. Malcolm Kushner, a humor consultant whose clients include some large companies, said that his index of 16 indicators showed that the cost of laughing has risen 3 percent in the last 12 months. The wholesale cost of rubber chickens, Groucho glasses and arrow-through-the-head novelties remained unchanged. The major inflationary factor, said Mr. Kushner, was the guild fee for writing a half-hour television comedy. That cost rose from a minimum of $11,209 to $11,545 — without, Mr. Kushner added, necessarily resulting in funnier shows.

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ASIA/PACIFIC

Calls for Independence Mark Start of Dalai Lama's Visit to Taiwan

By Keith B. Richburg
Washington Post Service

KAOHSIUNG, Taiwan — The scene at the airport in this southern Taiwanese port city must rank among China's worst nightmares: the Dalai Lama, the exiled Tibetan "god-king" denounced for trying to "split the motherland," landing on the shores of this breakaway island accused of plotting its own move toward independence.

Outside the airport terminal there was a boisterous display Saturday of the kind of street democracy still unheard of in Communist-controlled China. Tibetans and Taiwanese called for independence and denounced Beijing. Human rights advocates handed out brochures challenging China's record on political repression. Occasional scuffles broke out between separatists and smaller groups calling for China to remain unified.

The Dalai Lama, Tibet's spiritual leader and a Nobel Peace Prize winner, has insisted that his six-day trip to Taiwan, which Beijing views as a renegade province, is purely religious in nature. [On Sunday, he concentrated on religious matters with a series of lectures across southern Taiwan, Reuters reported.]

China, which has occupied Tibet since invading it in 1950, lashed out at the visit, with the official People's Daily calling it "a political crusade upheld by splittist and Tibetan independence forces collaborating within Taiwan to split the motherland."

It is the Dalai Lama's first trip to Taiwan, and he is being feted with all the red-carpet treatment normally accorded a head of state. If Taiwan is considered a part of China — and the rival governments on opposite sides of the Taiwan Strait agree it is — then Saturday also marked the first time he set foot on Chinese soil since he and thousands of followers fled their Himalayan homeland into exile in 1959.

In his arrival statement Saturday afternoon at the Kaohsiung international airport, the Dalai Lama tried to stress the spiritual, nonpolitical nature of his visit. He talked about human values and the need to maintain spiritual harmony amid breakneck economic development. He modestly spoke of himself as "just another human being" and declined to engage a reporter on whether his presence is likely to further enrage China.

But he did say he is looking forward to meeting Taiwan's first democratically elected president, Lee Teng-hui, who, like the Dalai Lama, has been accused by Chinese of being a "splittist."

"Of course, I'm looking forward to seeing your president, Lee Teng-hui," the Dalai Lama said, speaking slowly and deliberately in English. Although he said he always keeps in mind that his activities "should not cause embarrassment to anybody," he was "honored" to see the president. The meeting with Mr. Lee is expected to take place next Thursday.

The Dalai Lama has canceled a speech next week to Taiwan's legislature, apparently to avoid causing further trouble with Beijing. A spokesman was quoted as saying that the speech had been scrapped because of the spiritual leader's strong desire "not to cause any inconvenience or embarrassment to the host government."

After his brief airport statement, the Dalai Lama was driven through flag-draped streets to his hotel and then to southern Taiwan's famed Fokuangshan temple. During his visit, he will hold a series of prayer meetings at stadiums.

If he and his backers were attempting to play down the political symbolism of this trip, the word apparently did not reach the hundreds who came here by the busload, carrying banners and signs denouncing China and proclaiming independence for both Tibet and Taiwan.

Members of Taiwan's pro-independence Democratic Progressive Party were out in full force, with their green-and-white flag and a banner reading, "We Support an Independent Taiwan and Tibet." The party nationally has lately been de-emphasizing its pro-independence stance, but the local chapter here had no reservations about making the party's position known.

Tuesday

STYLE

From Paris to Milan, from New York to Tokyo, fashion editor Suzy Menkes covers the fashion front. With additional reporting on lifestyle issues, the Style section provides up-to-date information on developments in the changing world of creative design.

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Buddhist Unrest Spreads to Rangoon

Reuters

RANGOON — The military government of Burma said Sunday it had tightened security at mosques around Rangoon as religious unrest spread to the capital for the first time since similar trouble broke out a week earlier in Mandalay.

More armed troops and police were posted around the city after a group of about 50 Buddhist monks vandalized a mosque at Kanbe in the northeastern quarter of Rangoon on Saturday.

The monks attacked the mosque with sticks and stones, then fled before the police arrived.

Mandalay is still under an 8 P.M. to 4 A.M. curfew imposed last weekend when monks went on a rampage in the city, attacking several mosques and launching street protests after reports that a Buddhist girl had been raped by a Muslim man.

A leader of the Burmese Muslim community said that consultations were being held with the minister for religious affairs. Lieutenant Myo Nyunt, and with community leaders to restore calm after the mosque attack.

"We have met with the minister for religious affairs and we are holdings meetings to discuss the situation," said Hadji U Thein, chairman of the Islamic Religious Affairs Council, the most influential Muslim organization in the country.

A spokesman for the ruling State Law and Order Restoration Council said: "Appropriate security measures to prevent similar incidents from taking place have been taken around mosques in townships. The situation in Rangoon is calm and we will protect the Muslim community."

He blamed elements out to disrupt Burma's pending entry into the seven-member Association of South East Asian Nations later this year.

Burma is about 90 percent Buddhist and about 4 percent of the population is Muslim. Monks play a key role in this deeply Buddhist country and have in the past lent their support to political and social causes.

The All-Burma Muslim Union, a group associated with Burmese exile groups based at the Burma-Thai border, accused the military government of being behind the latest Buddhist-Muslim strife and said it had systematically caused trouble for the Muslim community.

The group's president, Ra Sak, warned that if Burma's military leaders continued "to use Buddhist monks as their proxy to oppress Muslims, an all-out religious war could break out."

Japanese Cult Planned U.S. Attack

By Nicholas D. Kristof
New York Times Service

TOKYO — The religious cult accused of organizing the poison gas attack on the Tokyo subway system two years ago also planned to release nerve gas in the United States, according to new court testimony in Tokyo.

The idea was sufficiently planned out that the cult ordered one of its members to go to the United States to pick up a shipment of sarin nerve gas that would be concealed in a Japanese ornament and sent by sea mail, a former cult official testified Friday. He said that the plan was later dropped, for reasons that remain unclear.

The cult, Aum Shinrikyo, was ferociously critical of the United States and accused the American military of attempting to kill its believers. It had an office in New York, and after the group was implicated in the subway incident American anti-terrorism officials became concerned about the possibility of an attack in the United States.

In the new testimony, Dr. Ikuo Hayashi, the former medical director of Aum Shinrikyo, said the cult had planned nerve gas attacks in the United States in June 1994.

"The guru has ordered us to release sarin in several places in America," Dr. Hayashi quoted the cult's intelligence director as telling him.

Dr. Hayashi said the intelligence director then instructed him to go to the United States to pick up the sarin package upon its arrival.

Dr. Hayashi, who until he joined the cult was a highly respected cardiac specialist who once worked in an American hospital, said that he had agreed reluctantly but that the plan was then suspended.

Shortly afterward, in July 1994, sarin nerve gas was released in the Japanese town of Matsumoto, killing seven. The police have accused the cult of that attack, and it has also been held responsible for the rush-hour attack on the subway system the following spring, which killed 12 and injured several thousand.

BRIEFLY

Strike Paralyzes Bangladesh

DHAKA, Bangladesh — Opposition party activists paralyzed Bangladesh on Sunday during a daylong strike, exploding homemade bombs, fighting with guns and meat cleavers and smashing buses. One person was killed and more than 100 injured, the police and witnesses said.

It was the first major anti-government street protest against the administration of Prime Minister Hasina Wazed, who took power nine months ago. When she was in the opposition, Sheikh Hasina often led such strikes, which eventually forced out the government.

Khalida Zia, the opposition leader and former prime minister, said her party opposed a government move to allow Indian commercial vehicles to cross Bangladesh to reach a northeastern region of India. Her Bangladesh Nationalist Party says that would encourage Indian separatists to operate freely from Bangladesh. *(AP)*

48 Held in East Timor Protest

JAKARTA — Indonesian policemen detained 48 youths on Sunday after a violent "anti-integration" protest at a hotel in the East Timor capital, Dili, where a United Nations envoy was staying, the police said.

"There was a demonstration outside the Mahkota Hotel where the envoy was staying," the East Timor deputy police chief, Colonel Atok Rismanto, said by telephone from Dili. He confirmed that there were shots fired by the police but denied reports that people had been killed or seriously wounded. *(Reuters)*

Police Break Up Seoul Sit-In

SEOUL — At least 50 radical South Korean students were arrested here Sunday when the police broke up a sit-in protest demanding the ouster of President Kim Young Sam and accusing his son of corruption, witnesses said.

The arrests came after 400 masked students emerged from the campus of Hongik University and sat on the street outside chanting anti-government slogans and waving placards relating to the Hanbo scandal. Policemen dragged about 50 of the protestors into buses for arrest, but no violence was reported. *(AFP)*

New Guinea Leader Stays On

PORT MORESBY, Papua New Guinea — Prime Minister Julius Chan refused to resign Sunday in the face of growing political calls for his removal ahead of Tuesday's rebel military deadline to quit.

"I am not going to step aside," Mr. Chan said in an address to the nation on television. But on Sunday, calls mounted for Mr. Chan to resign over his plan to use foreign mercenaries to end the nine-year secessionist conflict on the island of Bougainville. *(Reuters)*

For the Record

The Public Health Ministry of Thailand said Sunday that more than 1,700 Karen refugees fleeing fighting in Burma were ill with diarrhea, flu and malaria at their settlement areas inside Thailand. *(Reuters)*

Two people, including a 12-year-old boy playing in floodwater, were killed Sunday in Australia in the aftermath of a tropical cyclone that passed through the northern state of Queensland, the police said. *(Reuters)*

The Chinese Navy has begun its first port visit to the mainland United States, sailing into San Diego Bay. Invited by the U.S. Navy, the vessels Harbin, Nancang and Zhuhai docked at North Island Naval Air Station on Friday at the beginning of a five-day goodwill tour that will include visits to U.S. Navy ships, the San Diego Zoo and Disneyland. *(AP)*

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EUROPE

Furor Over Turkish Report

Business Group Urges Faster Steps to Democracy

By Stephen Kinzer
New York Times Service

ISTANBUL — The leading Turkish business federation has urged quicker progress toward full democracy here, but political and military leaders have strongly rejected its suggestions.

With its free elections, open economy and an outspoken press, Turkey is in many ways a paragon of freedom compared with most of its Middle Eastern neighbors. But it falls short of Western democratic norms in some important respects.

Several weeks ago, the Turkish Industrialists' and Businessmen's Association issued a report analyzing Turkish democracy and suggesting ways it could be improved.

The report urges that the power of party leaders be curbed. The leaders now dictate party policies and nominate candidates without consulting anyone outside their own tight circles, making it all but impossible for outsiders to break into politics.

Moving into more dangerous territory, the report proposes that Kurds be given the right to education in their own language.

Perhaps most significant, it recommends the abolition of the National Security Council, the principal instrument through which the military influences government policy, suggests that military commanders be subordinated to the Defense Ministry and that laws that limit public debate on sensitive issues be repealed.

In making these recommendations, the group, whose members include many of the country's largest domestic and international companies, was asserting its right to take part in national debates.

But business leaders also fear that political frustration is hurting the country's chances for long-term growth.

"There cannot be two Turkeys, a private sector which is an integral part of the world and a state apparatus which is detached from it," said Halis Komili, the head of the business group.

But even Mr. Komili probably did not expect the reaction that greeted his report. Many Turkish leaders rejected its recommendations and challenged the right of private groups to be involved in public policy at all.

Top military commanders summoned Mr. Komili, telling him that his report was ill-timed and potentially destabilizing.

Civilian politicians were equally scornful. "I cannot understand how an institution which itself lacks democracy and is controlled by capitalist forces can give us lessons on democracy," Trade Minister Yalim Erez complained. He said the business group should remember that its role in society is not to criticize, but "to draw foreign capital into Turkey and to advertise the country abroad."

Perhaps most devastating was an offhand endorsement of the report from Abdullah Ocalan, leader of the outlawed Kurdish Workers Party, which is waging a separatist war in the southeast that has cost more than 20,000 lives in the past 12 years.

"At this point," he said in an interview televised in Europe, "the capitalist sector is fighting for democracy more strongly than leftist parties."

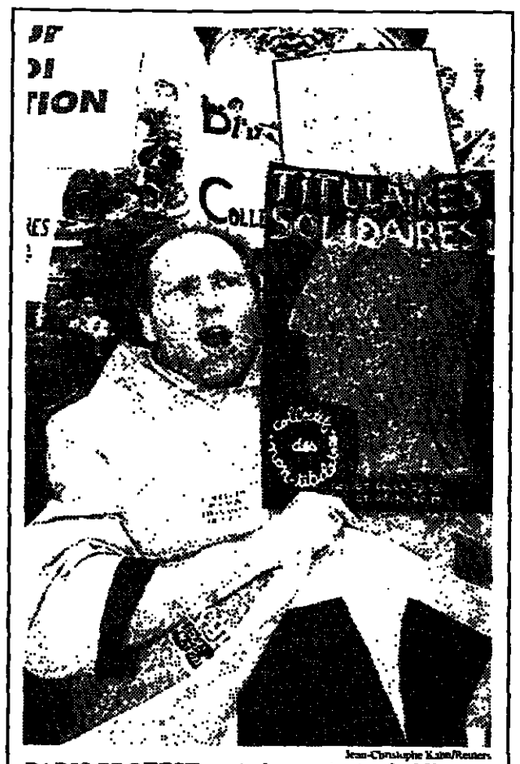
■ No 'Disappearances'

Foreign Minister Tansu Ciller said Sunday that there would be no more "disappearances" of detainees as part of an improvement in her country's record on human rights, Agence France-Presse reported from Ankara, citing official sources.

"The struggle of the forces of order against terrorism continues with the same determination as before, but in a way that respects human rights," Mrs. Ciller said after discussions with Interior Minister Meral Aksener.

A group of visiting members of the European Parliament called Friday on Turkey to improve its human-rights record for better ties with the European Union.

Earlier this month, however, Amnesty International accused the European Union of turning a blind eye to human rights abuses in order to maintain good relations with Ankara.



Jean-Christophe Kahn/Reuters

PARIS PROTEST — A demonstrator holding up a sign during a march Sunday by teachers, parents and students calling for more aid for education.

Spain Must Air 'Dirty War'

Compiled by Our Staff From Dispatches

MADRID — The Supreme Court has ordered the government to open secret files that could implicate former Prime Minister Felipe Gonzalez in the 1980s "dirty war" against Basque guerrillas.

After four days of deliberations, 33 magistrates of the court on Saturday overturned a decision by the conservative, Popular Party government to keep the documents classified for reasons of national security.

The court ordered the opening of 13 of 18 classified documents sought by three lower courts.

"The government complies with the Supreme Court decision and will act in accordance," said a government spokesman, Miguel Angel.

The documents, which originated with the country's CESID military intelligence service, clearly refer to the establishment and operation of covert actions in southern France to combat the armed Basque separatist group ETA.

In one of them, dated July 6, 1983, and entitled "Actions in France," plans are discussed to "employ in the fight forms of action not subjected to law" of which "the most useful are armed actions."

The document states that "it is fundamental that these actions should appear to be an internal settling of accounts or reprisals so that information about them will always leave in doubt who is responsible for the actions."

Another, dated Dec. 19, 1984, discusses "physical action against a target to be designated" following the build-up of ETA units in an area around the French city of Bordeaux. Although the documents are not to be formally released until April 4, they were published Sunday by the daily El Pais.

Mr. Gonzalez has denied authorizing the organization of the death squads and has asserted that he was not aware of their activities.

The scandal tainted his Socialist Party and contributed to its election defeat in March 1996 after 13 years in power. Several former Socialist officials and security chiefs have been charged in the affair.

In the early 1980s, ETA, or Basque Homeland and Freedom, was killing about one person a week, and the government was under pressure to respond. ETA has killed about 800 people in a 29-year campaign for Basque independence.

Lower courts investigating the campaign of kidnappings, torture and killings have said that the documents contain information that is vital to the prosecution of former senior officials and security chiefs.

Judges and officials have said the documents could provide evidence to reopen investigations into whether Mr. Gonzalez and his associates oversaw the death squads, which killed 28 people from 1983-1987. One third of the victims were targeted by mistake.

Defense Minister Eduardo Serra had warned against declassifying the documents.

But a Defense Ministry spokesman said he did not think the court decision would cause Spain's allies would lose confidence in the government's ability to maintain official secrets.

Last month, the Supreme Court asked the government to hand over the documents so it could decide whether to declassify them. The government authorized a temporary transfer, and judges then studied the documents on microfilm for the first time since their existence became known in 1995. *(Reuters, AP)*

BRIEFLY

Belarus Expels U.S. Aide Held After Demonstration

MINSK — Belarussian state television said Sunday that a U.S. diplomat had been declared persona non grata and had been asked to leave the former Soviet republic after taking part in an anti-government rally.

A Foreign Ministry statement said the embassy's first secretary, Serzh Alexandrov, an ethnic Belarussian, had taken part in actions "incompatible with his diplomatic status."

The statement said Mr. Alexandrov had been detained earlier on Sunday for "provocative actions" during violent clashes between riot policemen and nationalist demonstrators protesting against the pro-Moscow policies of President Alexander Lukashenko. *(Reuters)*

Belgians Find Body Parts

BRUSSELS — Belgian policemen said Sunday that they had found limbs belonging to at least three bodies, probably women, in 10 plastic trash bags in the southern town of Cuesmes.

The badly decomposed body parts were found on Saturday by a policeman under a bridge crossing the Paris-Brussels railroad, the official said.

Police officials said they did not immediately suspect a link with the murders in a pedophile scandal that has rocked the country in the last nine months. *(Reuters)*

Doctors March in Paris

PARIS — Thousands of doctors marched in Paris and other French cities Sunday to protest government moves to impose cash restraints on them in order to cut national health care costs.

The protesters in Paris, mostly hospital interns wearing white coats, marched to the headquarters of the health service, saying restrictions would lead to a rationing of care. *(AFP)*

German President in Dublin

DUBLIN — President Roman Herzog of Germany paid a one-day visit to Ireland on Sunday to mark the 50th anniversary of "Operation Shamrock," when Irish families opened their homes to children from stricken postwar Germany.

Mr. Herzog called on President Mary Robinson before the two attended a Dublin church service to commemorate the humanitarian response of families who fostered more than 500 young refugees during 1946-47. Many of the original foster children traveled from Germany and were set for a nostalgic meeting with host families. *(Reuters)*

The EU This Week:

International Herald Tribune

Significant events in the European Union this week:

- EU foreign ministers meet in Brussels on Monday to review plans for sending police and military advisers to Albania and to consider suspending trade and political cooperation with Israel to protest the building of a Jewish settlement in East Jerusalem.
- Foreign ministers meet in Rome on Tuesday to assess prospects for concluding revisions to the Treaty of Rome by their June target date.

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Mobutu Returns To Forefront

Reuters

KINSHASA, Zaire — President Mobutu Sese Seko returned to the forefront of Zaire's political stage on Sunday to receive a letter from President Nelson Mandela of South Africa on ending the war with rebels fighting for Marshal Mobutu's overthrow.

Mr. Mandela's deputy, Thabo Mbeki, who delivered the letter, said afterward that a United Nations peace plan for a truce and talks was at the heart of efforts to end Zaire's five-month-old civil war.

But the rebel leader, Laurent Desire Kabila, speaking in Kisangani, Zaire's third-biggest city, once again on Saturday ruled out calls for a truce before talks, a message 10,000 supporters endorsed before the special UN envoy, Mohammed Sahnoun.

Marshal Mobutu, looking tired and thin but wearing his trademark leopard-skin hat and a dark suit, was appearing in public for the first time since returning home from France on Friday.

"I am Mobutu," he told journalists. "I have returned not to devote myself to Mobutu's interests or Mobutu's fortune, as you write from time to time, but to the higher interests of Zaire. That is to say, our unity, our territorial integrity."

Asked how he felt, Marshal Mobutu, who left a hospital in Monaco after cancer treatment on Wednesday, replied: "The way I look."

Marshal Mobutu, who has spent most of his time in Europe since prostate cancer surgery in August, welcomed Mr. Mbeki with an embrace. Zaire's embattled prime minister, Kengo wa Dondo, attended the talks, which lasted about half an hour.

Aides to Mr. Mbeki, who was at the heart of a bid by Mr. Mandela to broker peace between Marshal Mobutu and the rebels last month, said Marshal Mobutu had promised a reply to Mr. Mandela's letter within 48 hours.

Mr. Kabila, his popularity rising with each battlefield victory, called Saturday for a transitional government but said he would not work with anyone who had shared power with Marshal Mobutu.

Mr. Kabila told Mr. Sahnoun on Saturday there could be no truce before talks. Mr. Sahnoun, spearheading peace efforts, left Kisangani after brief talks with Mr. Kabila.

The rebels, who control a fifth of Zaire, say they have pushed south to within 200 kilometers (125 miles) of the second city, Lubumbashi.



Alexander Joe/Agence France-Presse

The rebel leader Laurent Desire Kabila, greeting his supporters in Kasangani.

Like Old Times, an Explosive Zaire

Nation Is Again Caught Up in a Civil War and a Power Struggle

By Howard W. French
New York Times Service

KINSHASA, Zaire — If the map of Africa could be turned on its side, it would bear a passing resemblance to a pistol. And the country known as Zaire, as the writer Frantz Fanon once said, would be the trigger.

This image of Africa's third-largest country has a lingering resonance that has little to do with geographical whimsy. From this country's birth, with independence from Belgium in 1960, Zaire, more than any other African state, has been the place where explosive crises begin.

All at once, Zaire is caught up in a civil war sponsored by its neighbors, economic collapse and an open struggle over succession. For anyone who has followed the country's turbulent history, this dangerous moment can only seem like old times.

In its first year of statehood, Zaire, then known as the Congo, experienced an attempt at secession by one of its provinces. In the heat of the Cold War, the breakaway bid by Katanga Province quickly drew in the superpowers.

Soon, the country was the scene of the first United Nations intervention in Africa, and the word Congo rarely appeared in print without being followed by the word crisis. In the immediate post-independence years, the Congo would continue to be an unfortunate pioneer in foreign interventions, armed rebellions and the use of mercenaries to put them down.

The essential event that has most marked this country was the coup in 1965, by Joseph Desire Mobutu, 34. If not entirely invented by the Central Intelligence Agency, Marshal Mobutu had been sponsored and, at critical moments, propelled by it.

As army chief of staff during the first five years of independence, the general was covertly used as the lever through

NEWS ANALYSIS

which Washington could manipulate the country's fragmented political system.

But once in power, Marshal Mobutu almost single-handedly went on to invent a new brand of African politics, which he termed "authenticity."

Fashioning himself as a kind of supreme chief rooted in African tradition, he set out to create a sense of African pride and nationhood among over 250 tribes in a nation the size of the United States east of the Mississippi.

The Congo became Zaire, cities were stripped of their Belgian names, and citizens were forbidden to use Christian names.

For a time, many Zairians felt a sense of hope from the country's strong currency and from the dams and factories and other big industrial projects that were begun. There was relief, too, when the incessant rebellions of the early years seemed over.

Today, Marshal Mobutu's project lies in shambles, eerily similar to what he inherited in 1965. His experiments crashed on the shoals of cynicism, greed and his all-consuming ego.

There is no better symbol of his hubris than the name Marshal Mobutu chose in reinventing himself: Mobutu Sese Seko Kuku Ngbendu wa za Banga — "the all-powerful warrior who, because of his endurance and inflexible will to win, will go from conquest to conquest leaving fire in his wake."

If Julius Nyerere of Tanzania influenced many with his "African socialism," Marshal Mobutu championed African dictatorship, which he sought to make respectable by cloaking one-man rule in the trappings of cultural authenticity.

In the midst of his would-be nation-building, Marshal Mobutu busied himself playing mischief maker in many of the nine nations bordering his country, and beyond. In Angola, he did the handiwork of the CIA for years, turning Zaire into the rear base of the Western-backed UNITA rebel movement that was fighting against a Marxist government.

At France's behest, he sent his soldiers to support dictators in Chad. Assassins were reportedly sent to kill Marien Ngouabi, the Marxist president of neighboring Congo (a former French colony), changing the regime there in Paris's favor just as Congo was tapping huge oil reserves.

Since the mid-1990s, this tendency toward adventurism has come back to haunt Marshal Mobutu and finally seems likely to undo him at a time when he is ill with advanced prostate cancer and seen as having a tenuous hold on power.

El Salvador Leftists Emerge With a Stunning Election Victory

By Douglas Farah
Washington Post Service

SAN SALVADOR — When Hector Silva sneaked back into the country 12 years ago to begin organizing political support for Marxist guerrillas and a negotiated end to the nation's civil war, he could not have foreseen that the journey would culminate with his election as mayor of San Salvador.

But his stunning victory in this capital of 1.4 million people is the most visible sign of the political tremor that shook El Salvador on March 16 during legislative and municipal elections.

For the first time, former Marxist guerrillas of the Farabundo Marti National Liberation Front, or FMLN, won through the ballot box what they had sought during 12 years of war against the U.S.-backed government: a measure of real power within the political system.

Mr. Silva, 49, a U.S.-educated gynecologist, was a political ally of the FMLN but not a member or a combatant. But the FMLN was by far the largest party in the coalition that Mr. Silva led to victory, making him the most visible elected leftist official in Central America. His election and other FMLN gains reversed a tide that has seen the left and its revolutionary rhetoric swept from the political scene across the region.

"The future of the country and the city depend on two things," Mr. Silva said in an interview. "First is the FMLN: how they act and if they understand that governing is judged on results, and that they have to deliver. The second is the private sector, which has to understand it has to share a little more. If they want to strangle my administration, that will be a problem."

While the final ballot tally is not in, the FMLN won at least seven of the 14 state capitals, including the national capital and the nation's second-largest city, Santa Ana. The organization is expected to win about 100 of the nation's 262 municipalities, up from 14 in 1994.

In addition, the FMLN almost emerged from the elections as the biggest party in the 84-seat legislative assembly. It won 28 seats, up from 12, while the governing Republican Nationalist Alliance, known as Arena, won 29 seats, down from 38 in the previous assembly.

That strong showing shocked Arena, which has dominated the political scene since 1988. Arena's leaders blamed poor voter turnout for much of the defeat, saying their followers stayed home because they were overconfident.

Arena was founded in 1980 as part of a paramilitary structure dedicated to wiping out communism, represented by the FMLN. While Arena has grown more institutionalized and the FMLN has put down its weapons as part of a 1992 UN-brokered peace agreement and become a legal political party, deep antagonisms still exist.

Luis Cardenal, president of the Chamber of Commerce, said there was "moderate concern" among the business community that the FMLN, with its new strength, would revert to its former Marxist ideology and begin nationalizing industries and driving away foreign investment. Mr. Cardenal acknowledged that Mr. Silva had a reputation for integrity and moderation, and said he hoped that all sides could work together.

"Six years ago these same people used Marxist discourse, calling for socialism and against private enterprise," Mr. Cardenal said. "They were outside the law. Now they have a chance to support their new discourse with actions, and I hope they do."

But some are concerned that the central government, which provides some of the money to run the capital, and big businessmen who support Arena could try to strangle Mr. Silva's administration financially.

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R 12497 Int. Herald Trib.

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CAREERS

U.S. Corporations Look for Incentives to Entice Low-Wage Workers to Stay

By Kirstin Downey Grimsley
Washington Post Service

WASHINGTON — Executives at more than two dozen of America's largest corporations have been meeting quietly over the past year to brainstorm ways to recruit and retain workers who make less than $8.50 an hour.

Scattered labor shortages in parts of the country have made the issue more acute.

The human resources executives, who gathered recently in Miami, have dubbed themselves the Employer Group.

Of the 26 major corporations participating, only 10 have agreed to go public.

The others fear public opprobrium for acknowledging that a large portion of their workers earn less in hourly wages than is stipulated by federal poverty guidelines.

The companies that own the fast-food restaurant chains Burger King and Pizza Hut are in the Employer Group, as are Hyatt Hotels Corp., the financial services giant Aetna Life & Casualty Co. and the clothing manufacturer Levi Strauss & Co.

The General Services Administration also is participating. Together, the companies represent about 2.5 million workers nationwide.

The executives describe their motives as economic, not altruistic. All operate in highly price-competitive industries that depend on stable, low-wage work forces, and they say market realities make it impossible to raise salaries significantly.

But the executives say they have learned it is in their interest to help workers cope with a variety of life's crises.

"We are being dragged into all these issues, forced to recognize this work force exists," said Charles Romeo, the director of employee benefits at ConAgra Refrigerated Foods in Geneva, Illinois, the meat-processing company that produces Swift and Armour products and Butterball turkeys. "If we don't, we won't exist. We need to better manage it."

"We're simply trying to attack our challenges more effectively," said Jay Hundley, director of personnel at the retailer J.C. Penney Co., a co-founder of the group along with Marriott International Inc.

Mr. Hundley said J.C. Penney's studies have shown that retention of good workers is crucial because employees become most productive after being on the job at least three years.

Low-wage employees face difficulties finding adequate child care, reliable transportation and affordable housing, which can turn into costly business problems, including absenteeism, tardiness and lost productivity.

But low-wage employees face difficulties finding adequate child care, reliable transportation and affordable housing, which can turn into costly business problems, including absenteeism, tardiness and lost productivity.

In many cases, formerly good workers disappear or quit unexpectedly, citing a collapse of makeshift child-care arrangements or the breakdown of the family car, forcing companies to hire and train new workers, according to group members.

Mr. Romeo at ConAgra estimates it costs $2,000 to $3,000 to train a worker to understand health and safety standards and to learn how to properly trim meat off an animal carcass.

ConAgra managers, depending on the job and location, might have to fill the same slot two or three times a year. Job turnover is even higher among some of the group's members.

The Employer Group focuses on sharing what members call "best-practices" policies that help workers manage their lives and stay productive. Many companies have introduced subsidized child care, specialized training for managers, prenatal care programs and on-the-job immigration and tax-filing advice.

For example, many McDonald's restaurants have expanded employee food discounts by offering 50 percent off for workers' families.

Hyatt has reduced employee turnover by emphasizing flexible work hours. Marriott International Inc. has a telephone hot line linked to social workers who assist with transportation and child-care crises. The company helps workers file federal tax forms that would allow them to get earned income-tax credits on a weekly basis rather than in one refund.

A single mother earning $192 a week could get an extra $24 per week in her paycheck if she filed the forms. That "makes a big difference when you are poor," said Donna Klein, Marriott's director of work-life programs.

Executives in the Employer Group say they cannot consider raising wages in an era of tight profit margins and competitive price pressures.

"These are the economics of our business," said Ms. Klein. Only about 1.5 cents of every dollar spent on lodging is profit for Marriott, she added.

The companies are defining as "low-wage" those workers who earn less than $8.50 an hour, roughly the figure used by the federal government to determine eligibility for federal housing, child care and food subsidies.

For seven of the 10 companies whose executives agreed to be interviewed, these hourly employees compose one-half to four-fifths of their total work force.

At McDonald's, about 80 percent of its 600,000 U.S. workers earn an average wage of about $6 an hour. At Hyatt, at least half of its 40,000 employees receive less than $8.50 an hour, and at Levi Strauss, 19,000 of its clothing production workers — or 90 percent of its American work force — receive about $8 an hour.

Instead of talking about downsizing and cutting employee benefit programs, the participants are pondering a role that Faith Wohl, director of the office of workplace initiatives at the General Services Administration and formerly a personnel executive with DuPont Co., described as a "surrogate for the social service system."

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A Useful Summit

New Ground Rules

Bill Clinton and Boris Yeltsin got together again last week and accomplished more than they expected. The two men essentially agreed on some new ground rules for relations that will allow important business like nuclear arms reductions to proceed despite Russian objections to the eastward expansion of NATO. The accommodation was largely the result of a hard but sensible decision by Mr. Yeltsin that Russia ought to concentrate on building prosperity and democracy rather than getting distracted by America's needless rush to enlarge NATO.

The most encouraging advance in Helsinki was agreement on a set of guidelines for a third nuclear weapons reduction treaty. The agreed goal is to reduce the number of warheads on each country's long-distance weapons to somewhere between 2,000 and 2,500 by the year 2007, a reduction of more than 80 percent from Cold War levels.

Regrettably, the Clinton administration still resists beginning formal negotiations until Russia's Parliament ratifies the previous weapons reduction agreement, signed in 1993. But that ratification may now move ahead more smoothly thanks to a new understanding that sets limits for America's new missile defense systems consistent with existing treaties.

Once the 1993 treaty is ratified, the White House will ask Congress to give Russia more time for the required dismantling of its warheads and missiles. Moscow says it cannot afford to pay for the existing schedule.

The two presidents also agreed to push their legislatures to ratify the chemical weapons agreement before it goes into effect late next month.

On NATO, Mr. Yeltsin affirmed Russian opposition to the expansion plan. But he agreed to accept an informal partnership with NATO that will be spelled out in a document to be signed by the leaders of the 16 NATO countries. NATO is expected this July to invite Poland, Hungary and the Czech Republic to join the alliance.

Mr. Clinton and Mr. Yeltsin also agreed to strengthen economic cooperation. Mr. Yeltsin was promised a larger role in the annual meetings of industrialized nations, an important symbolic achievement for Russia.

Russia remains Europe's largest country. A stable Russian government and economy pursuing a responsible foreign policy is an indispensable condition for achieving Mr. Clinton's stated goal of building a secure and democratic Europe. The Helsinki agreements do not eliminate the potentially troublesome issue of NATO expansion, but they make progress in other areas possible.

—THE NEW YORK TIMES.

A Statesman's Role

Russia's power has faded steadily in the past 10 years, but the iconography of Russian-U.S. summits remains generally unchanged. That has produced an odd phenomenon. It used to be that two leaders of more or less equal geopolitical weight could come to a hard-fought compromise and then go home and crow. Now there is not much to keep Bill Clinton from scoring an easy victory, but he has to be careful not to proclaim it. Such tact allows Boris Yeltsin to go on cooperating and to claim victory, or at least a draw, when he returns to Moscow. But it complicates Mr. Clinton's efforts to convince skeptics at home and in Central Europe that he has not sold out U.S. or third-country interests.

In Helsinki on Friday, Mr. Clinton got what he wanted — de facto Russian acquiescence to NATO expansion eastward. In return, it appears that he gave Mr. Yeltsin small wins (this June's Group of Seven meeting in Denver will be called "the Summit of the Eight") and "concessions" that are as much in the U.S. interest as in Russia's, such as a pledge to further reduce nuclear-weapon arsenals. Still, both sides have to portray the package as a carefully balanced compromise.

All that said, it is also true that this was a useful, productive summit. Mr. Yeltsin came to Helsinki with a weak hand but played it well. He could not stop NATO from accepting new members, such as Poland, but he could have lobbed some rhetorical hand grenades as he retreated, and thereby shaken up Europe. That would have been self-defeating in the long run, but it might have felt good for a time. Instead he chose a statesman's role. Europe and the world were watching, he said before the eight-hour negotiations, "that we do not lose the partnership that has developed in recent years ... We will part from the summit as friends."

Potentially the most sensible accomplishment was the two leaders' agreement on a new arms control treaty, known as START-3, under which each side would reduce, by the year 2007, its strategic nuclear arsenal to between 2,000 and 2,500 warheads — one-fifth of the levels of five years ago. Russia has yet to ratify START-2, in part because it would have to destroy thousands of one type of weapon and then, to reach parity with the United States, actually build a new class of missile. That is plainly not what Russia should be spending money on, even if it had the money. Friday's agreement provides the assurance that those new weapons will not have to be built. But whether that is enough to persuade Russia's Parliament to ratify START-2 is uncertain — and without START-2, START-3 can't happen.

Mr. Yeltsin also agreed to enter a new relationship with NATO, even as he continues to register his opposition to its expansion, and he dropped his insistence that the new NATO-Russia charter be ratified by every NATO member's Parliament. The merits of the new consultative mechanism will depend on the details; drawing Russia in is in everyone's interest as long as Mr. Clinton sticks to his commitment, repeated on Friday, that Moscow will have "a voice, not a veto."

Now that the U.S.-Russian relationship is, for the moment, on track, Mr. Clinton can turn to a no less crucial challenge of shaping the new Europe. That is to ensure that the newly independent nations that will not enter NATO on the first go-round, such as Estonia, Latvia, Lithuania and Ukraine, emerge with their sovereignty and security well protected.

—THE WASHINGTON POST.

Rhetoric and Bombers

Terrorism has again dealt a blow to peace in the Middle East. The bombing of a Tel Aviv café on Friday killed three people, including the attacker. The radical Palestinian group Hamas has claimed responsibility, and the Palestinian Authority's president, Yasser Arafat, has denounced the bombing.

There has been a lot of inflammatory rhetoric — from Mr. Arafat, King Hussein of Jordan and President Hosni Mubarak of Egypt — during the recent diplomatic standoff over new housing construction in East Jerusalem and disagreements over the scope of Israeli troop withdrawals in the West Bank. There is no provable link between their angry words and the bombing, but, having repeatedly invoked the threat of violence, these Arab leaders will now be blamed by many Israelis for its actual occurrence. That is even more likely given the so far unsubstantiated charges by Israel's prime minister, Benjamin Netanyahu, made both before and after the bombing, that Mr. Arafat has been releasing jailed terrorists and privately giving radical groups a green light to launch new attacks.

This is another of those delicate and dangerous Middle East moments. Mr. Netanyahu's course since signing the Hebron withdrawal agreement in January has infuriated even the most moderate Arabs. His decision to authorize construction of a new Jewish housing project in East Jerusalem came only days before negotiations were set to resume on matters including that city's future. He decided on a minimally adequate troop withdrawal from occupied areas of the West Bank, with no show of consultation with Mr. Arafat. The Palestinians then refused to cooperate in the withdrawals, and negotiations on Jerusalem and other issues stalled.

None of Mr. Netanyahu's maneuverings, however, can possibly justify the sacrifice of a single human life. Hard bargaining over the remaining issues is surely appropriate. But reckless rhetoric can have deadly if unintentional consequences.

—THE NEW YORK TIMES.

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Internet address: http://www.iht.com E-Mail: iht@iht.com

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.(65)472-7768. Fax:(65)274-2334
Mng. Dir. Asia, Rolf D. Eramepuhl, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188. Fax: 852-2922-1190
Gen. Mgr. Germany: T. Schlüter, Friedrichstr. 15, 60323 FrankfurtM. Tel. +49 69971250-0. Fax: +49 69971250-20
Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax: (212) 755-8785
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Indians Are Taking a Long Look in the Mirror

By A. M. Rosenthal

NEW DELHI — Close now to 50 years of independence under political democracy, Indians are deep in self-examination — sparing nothing, from corroding corruption to quota by casteism to bureaucratic strangulation.

In range and bite, no other society approaches the long look in the mirror that Indians are taking at themselves and those they entrusted to govern them. The pain is already bringing political and economic changes to India, whose history affected the world for centuries and still does.

But despite some excellent Indian and foreign journalism, this pivotal event in democracy gets less attention from Western capitals than twitches in Beijing's Communist rhetoric does.

For 40 years I have been seized by India. The glory of the variety of its ways, history, religions, art and friendships — the colors of life — make me rush to meet the gift of the day.

For all those years, Indians and friends like myself said that India was of huge importance to the world because it was the only newly independent country to choose and stick with political democracy. Now they say that it is still true, but democracy defeats democracy when it is used to explain away or apologize for the nasty blotches.

The mirror asks why for half a century elected Indian governments have failed to provide the great majority of Indians with the decencies of life — clean water, toilets, sufficient food and medicine, enough roads so that villagers do not have to walk hours to the nearest one. Why does India lag behind so many other comparable societies in basic education, birth control, life expectancy, health care, income, foreign investment?

It is not the major politicians and parties that are trying to answer those questions. They have been sidelined by the disgust of Indians using ballots as an archer his arrows. In last year's elections voters virtually wiped out the Congress Party, which led India to independence under Mohandas Gandhi and Jawaharlal Nehru and then marched purposefully into corruption, disdain and slovenly government.

Indian voters, investigative courts and a vivid press show their conviction that it was not democracy that failed India but the politicians who failed both. Every day brings exposure of official corruption. One former cabinet minister was sentenced for sheltering a leader of bandits who terrorize great swatches of India — 10 years' hard labor. The last prime minister, P. V. Narasimha Rao, is fighting to stay out of prison for bribery.

India's political leaders were a choke collar on economic progress. For cash and caste, they helped cronies, kept the economy in government hands and restricted foreign investment far beyond the steps necessary to protect farmers and small businesses that do need help, as they once did in the West.

No party won a majority. A coalition of 13 parties, most regional-based, was pasted together to block the Hindu nationalist party from taking control. A provincial leader from Karnataka, H. D. Deve Gowda, won the lottery for prime ministership, to his astonishment.

Even if it does not last, his government has put forward a budget that is India's most friendly to foreign investors and Indian business. Foreigners should remember that he also has valid commitments to the vast, scrabbling rural constituency that needs help.

The elections already have produced a shift of some political power and economic say-so from New Delhi to the 25 states. The mishmash of free enterprise and socialist regulation is held in growing contempt.

Communism and fascism taught us that tyranny can prosper under capitalism. India teaches us that in a democracy the corruption, hypocrisy, arrogance and fossilization of elected leaders can perpetuate destitution.

Now I am going out for a walk in New Delhi, where Indian freedom was proclaimed on Aug. 15, 1947. When I get back, I will be like the country — hot, sweaty and impatient, but eager again to meet the gift of a day in India.

The New York Times.

Russia: Made an Outsider Again by America's NATO Policy

By William Pfaff

PARIS — Russia poses two questions. The first is how a fundamental internal stability will be restored. The outside world obviously wants a reformed system that will last, which means one that Russians accept as representative of their legitimate interests, foreign as well as domestic.

The second question is Russia's place in the international system. This is related to how the first problem finds an answer. But whatever happens internally, the Russian nation is too big, too populous, too rich in resources, too important geopolitically and historically, not to play a major international role — either a constructive or a destructive one.

Modern China had virtually no active influence on international society until recently. The idea that it is a major threat to international order was generated in Washington in the 1950s and 1960s as a result of China's intervention in the Korean War (to save the North Korean regime) and of the nationalist uprising in neighboring Indochina. Because the latter's mobilizing ideology was also communism, it was grossly misconceived in Washington as evidence of Chinese expansionism.

Russia, on the other hand, has been an expansionist international power since the time of Catherine the Great, who ruled from 1762 to 1796. Under her it began its westward and southern expansion, at the expense of Poland and Ottoman Turkey.

By defeating Napoleon's invasion, early 19th century Russia became one of the two leading powers in continental Europe (Austria was the other). In the second half of the century it consolidated its domination of Central Asia and expanded to the Pacific Ocean, at China's cost.

There was at the same time an inner political and social weakness to autocratic Russia, eventually exploited by the Bolsheviks. There was also an astonishing intellectual and artistic achievement.

Russia was a destabilizing factor in international society because it was too big to fit into Europe, too much an "Asiatic" power to be fully admitted into the Western system, and was itself tormented by that divided identity. Russian history during the 19th and 20th centuries is a story of successive attempts to come to terms with Western political rivalry and Western intellectual influence.

Each successive accommodation to the Western challenge eventually broke down. Bolshevism itself was the application of a Western idea to Russia, and it succumbed to the "Asiatic" tendencies embodied in Stalin, and failed. Today, Western liberal political and economic ideas are being applied, and distorted, to unforeseeable effect.

These are important considerations because Bill Clinton and his entourage express an extremely short-term view of Russia. They are interested in Boris Yeltsin's health, the policies of his new government team, and the significance of the Lebed challenge.

Their idea of expanding NATO assumes Russian weakness and American power. Washington does not mean to provoke Russia, but it does intend to have its own way for reasons, essentially, of American domestic political and bureaucratic interest. Mr. Clinton's people see risks in Russia solely in terms of the possible rise to power of nationalists or neo-Communists. They are not thinking geopolitically.

They ignore the imperative need for an inclusive rather than exclusive relationship of the West to Russia. That is why NATO expansion is so dangerous. It recreates the adversarial relationship that since 1989 had been set aside. It makes Russia again the outsider.

Obviously, the security of states formerly under Soviet domination is a legitimate concern, but there are better ways to guarantee their independence than incorporating them into NATO. This also is bad for NATO, redefining it as a democracy-building political fraternity, whereas its political effectiveness really lies in remaining an efficient military alliance.

How should Russia be dealt with? First, with respect and a certain detachment. Russia has had quite enough bad advice from the West. It has to find its own way.

Russia should steadily be assured that it has a major place in the existing system of international cooperation and in the international institutions of the democracies. Its opinions should be heard.

The notion that Russia is the rival of a Western bloc under increasingly hegemonic American influence has an extremely negative influence. That is the idea that prevails today.

Any international system inevitably seeks balance. Nothing has happened to change that principle of international relations. If a system is unbalanced, it generates forces within it to restore balance.

Hence the notion of the United States as the sole superpower, or global hegemon, which Washington finds so seductive, may describe the current situation but provides a profoundly mistaken guide to policy.

Since 1989, Russia has tried to become fully included in the international system of the democracies. America's NATO policy excludes it. That is a fundamental mistake.

International Herald Tribune.
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China: Don't Incite It to Play by Its Own Rules

By Jim Hoagland

WASHINGTON — China refuses to admit that it sought to influence recent U.S. elections with secret campaign donations. But that effort, detected by American counterintelligence, fits into its determined bid to play power politics at the global level.

China is determined to demonstrate that it will no longer allow other nations to limit its ability to act where its interests are involved. Beijing will make its own rules.

The campaign finance controversy is small potatoes compared with the ominous military buildup that China is pursuing. Intelligence analysts have gathered indications that the military is acquiring specific weapons and drawing up contingency battle plans that will be targeted on U.S. forward-deployed units in the Pacific if conflict over Taiwan escalates again, according to U.S. officials.

This does not mean that hostilities are imminent or even likely in the future, the analysts stress. The study of combat situations that would involve U.S. units is part of a long-range planning exercise undertaken after last spring's bristling confrontation over Taiwan.

That crisis underlined that Beijing's forces are no match for the overwhelming American firepower deployed in the region. But the accelerating purchases of Russian-made warships, surface-to-surface missiles and warplanes underline China's long-term ambition to reduce or eliminate America's ability to constrain its actions in Asia.

This is a remarkable reversal for a giant but impoverished nation that has been treated like an international doormat for a century. More astonishing is that it took the campaign financing indiscretion to get Congress and the Clinton administration to wake up.

Chinese officials apparently sought to buy influence in a particularly crude, detectable way in the 1996 elections.

The disclosure about China has had a chilling effect on Capitol Hill and in the Clinton administration. Vanished from Bill Clinton's screen are the hopes he had a few months ago of getting trading restrictions on China lifted by Congress on a permanent or multiyear basis this spring. He will now have to settle for another one-year extension of most-favored-nation trading rights for China.

Indonesian and Taiwanese campaign contributions to the Democrats broaden the chilling effect that the scandal stories have on U.S. policy toward Asia. Trips to Asia have suddenly become inconvenient for career-minded policymakers or legislators. What had been a scramble within the bureaucracy to get aboard Vice President Al Gore's visit to China this week quickly subsided when the campaign scandal broke.

Pending decisions on military sales to Indonesia have been pushed further back on the shelf. Congressmen who were leaning toward supporting China's admission to the World Trade Organization now lean away.

This is not exactly what the officials in Beijing who discussed buying politicians in range of U.S. listening devices had in mind. But they will have done America a big favor if they force Congress and the White House to change a misguided China policy that has outlived the limited usefulness it had.

China has amassed more than $100 billion in foreign reserves, second only to Japan, and will acquire $60 billion more when it takes control of Hong Kong in July. This money is being used not to better the lives of all of its citizens but to fund a menacing arsenal and the establishment of an industrial base that will make China independent of external constraints in the next century.

"The Russians are selling them the latest in military technology and we in the West are selling them the latest in civilian technology," a European diplomat in China told me recently. "Have we thought about where this ends?"

No. The Clinton administration has propagated to itself and the public a false choice: either engagement — which involves showy summit meetings, unrestricted business and financial involvement, and gradually warming military contacts — or containment, a strategic encirclement by military force and economic isolation.

The sound policy is a more difficult middle strategy: to exercise influence where possible to limit China's growing ambitions, particularly in Asia. This would involve a mix of incentives and penalties that have the common feature of indicating American disapproval of China's ruling Communist dictatorship and support for a democratic alternative.

China has a great-power role to play in the world. Unfortunately, Mr. Clinton's indulgence and supineness have helped convince it that it can play that role by bribing, bullying and blustering, without paying a price.

The Washington Post.

The British Do Elections Better

By Mary McGrory

WASHINGTON — I am with Robert Browning, who wrote, "Oh, to be in England now that April's there."

He was talking spring. I am talking elections — Britain's are just getting under way.

Spring is one thing that Washington does perfectly. We are awash in tender green shoots and delicate blossoms. But Washington, as we are reminded every day, does elections abominably. Those who say there has to be a better way are right. England's way.

At a St. Patrick's Day lunch here, British Ambassador Sir John Kerr introduced scores of British politicians, who described for the American audience the joys of the short campaign and the strict limits on expenditures.

Michael Ancram, the minister for Northern Ireland, explained to open-mouthed journalists that as a candidate for re-election to Parliament he cannot spend more than the equivalent of $14,000, buy any television time or advertise his candidacy on television. The lore in Washington is that those who spend a million dollars for a seat in the House of Representatives are much likelier to succeed than those who don't.

The British do not let their campaigns run more than six weeks. They put no cap on collecting corporate funds, and there are no laws requiring disclosure of contributors, but campaigns don't consume huge sums of money.

The parties do a great deal of direct mail and door knocking. Voters are spared America's stomach-turning negative ads. This year, Tories are raising eyebrows with an ad that is considered a vigorous assault on Labour's Tony Blair. Over a caption that says "New Labour, New Danger" it shows a masked Blair grinning maniacally, supposedly in anticipation of devouring voters. It's a far cry from the infamous Willie Horton ad that so wounded Michael Dukakis.

Max Cleland, a Georgia Democrat who spent $3.5 million to defeat a rival who spent $10 million, is much drawn to the British way. A member of the Senate Governmental Affairs Committee, which is investigating the campaign financing scandals, he anticipates that the public is about to hear things about its politicians "that will make us throw up."

Daniel Patrick Moynihan of New York, the Senate's only intellectual, says we Americans can envy the British system, but we cannot emulate it. The British, he points out, do not have a legislature like ours. Members of each party vote the party line.

"It sounds idyllic," he observes, "but there are 24 bars in Westminster — there is nothing else for members of Parliament to do but drink."

The British elections are called at the pleasure of the prime minister. We, of course, have fixed elections, every two and four years. We are stuck, therefore, with permanent campaigns. Any interference with them would involve infringement of First Amendment free speech rights.

We have raised among us a breed that could be called compulsive campaigners. Prime exhibit: the president of the United States. How else to explain his recent decision to turn down, at least for now, a revision in the Consumer Price Index, an adjustment that could help stabilize Medicare?

Bill Clinton is forbidden by law to seek another term, but based on that decision you might not think so. Asked why he would reject a solution that unblocks other solutions, people explain feebly that the American Association of Retired Persons wouldn't like it. That should be of no consequence to him now.

Mr. Moynihan says that if we can't adopt the kinder, gentler British system, we jolly well better come up with one of our own.

There is stiff resistance to the modest reforms of the McCain-Feingold campaign finance bill. At least it would give free television time to candidates. The excesses of the Clinton fund-raising team can be directly traced to the year of television commercials dictated by Dick Morris, the scoundrel who is now moralizing on talk shows.

Too bad we can't pass laws that would save a president from himself.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Jealous Senate

LONDON — The *Times* says: "The Senate seems to be actuated by a spirit of jealousy and the desire to assert its authority as against the other branches of the Legislature. To this temptation Senators as individuals are always exposed. Their sense of responsibility to those who elect them is for various reasons much less acute than it is the fashion of some admirers of the American Constitution to assume, but with jealousies existing between the populations of widely separated areas it is probable that the representatives fairly express the temper of their constituents when they insist to the uttermost upon the powers they can claim under the constitution."

1922: Out of Style

CHICAGO — An all-woman jury took only four minutes to decide that an actress' gown is out of style in four weeks. The verdict was given in a case in which Miss Frances Kennedy purchased a gown which was not delivered before she had to leave the city. When she returned she refused to accept it, so that civil action was taken against her. She maintained that "dresses go out of style about every three weeks; an actress cannot appear in old models, as the public looks to her for styles."

1947: Last Viceroy

NEW DELHI — Lord Mountbatten, twenty-ninth Viceroy and Governor-designate, has arrived here to assume his duties in the closing period of British raj in India. As the plane taxied across the field through heavy heat haze, a salute of thirty-one guns was fired while a regimental band struck up "God Save the King." Lord and Lady Mountbatten were greeted by Jawaharlal Nehru and other officials.

LANGUAGE

Legal Kibbitzers and Show Stoppers

By William Safire

WASHINGTON — There are two kinds of legal kibbitzers: those who pronounce *amicus* uh-MEE-kuss and those who pronounce it AM-uh-kuss. Each submits a brief as an outsider, ostensibly not with an interest in the outcome of a case but as a "friend of the court" — in Latin, *amicus curiae*.

Tony Mauro, who watches the Supreme Court with a legal-eagle eye for Legal Times, noted that Justice Stephen Breyer has his own pronunciation. "During arguments Jan. 15 in Lambrix v. Singletary," wrote Mauro, "Breyer said 'a-MY-cus' so many times that the hapless lawyer before him, solo practitioner Matthew Lawry, adopted the same, clearly incorrect pronunciation just to be accommodating."

The reporter checked with Professor William McCarthy of the Greek and Latin department of Catholic University, who agreed that Breyer's pronunciation was, to say the least, nonstandard; the professor preferred "AH-me-kous."

Is Breyer a pronunciational extremist? I cannot fault the solo practioner before him for going along with the a-MY-cuses from the bench. He probably said to himself: "I'll pronounce it any cockamamie way Breyer likes, as long as he comes down for Lambrix." In the long history of that honorable court, it is unlikely that any lawyer has corrected a justice's pronunciation.

That's for the gutsy Mauro to do, and for me as language maven to adjudicate. Because my *bona fides* in Latin are nonexistent (that's "bone-uh FEE-days"), I turn to a friend of the column — *amicus columnae* — as expert witness.

Bryan Garner is editor of the Dictionary of Modern Legal Usage and has been chosen to edit the seventh edition of Black's Law Dictionary. Credentials he's got. "If I'd been in the Supreme Court's chamber to hear Justice Breyer say the phrase," he confesses, "I'd have thought it a gross lapse. But I'd have been wrong."

Aha! You looked it up in the Oxford English Dictionary, huh? There it sounds like uh-MY-kuss kyoor-ee-eye. Yes, said Garner the lexicographer, and Breyer also has support from William Henry P. Phyfe's 1937 "20,000 Words Often Mispronounced," as well as two modern dictionaries of pronunciation.

"Justice Breyer has adopted an Anglo-Latin pronunciation," Garner explains. "It will make any Latin teacher apoplectic. But it has English and American history behind it, and that, in the end, matters more than how Cicero might have mouthed the phrase."

That's it. Let Scalia dissent. Object to Breyer at the Supreme Court, not to me: its zip code is 20543. I take refuge in Francis Bacon's 1612 comment: "Those that ingage courts in quarrels of Jurisdiction are not truly *Amici Curiae*, but *Parasiti Curiae*."

□

"Remember what Mark Twain said about dogs," said President Clinton not long after his re-election, perhaps thinking about press coverage. "Mark Twain said every dog should have a few fleas — keeps them from worrying so much about being a dog."

The report of Mark Twain's attribution is exaggerated. A. James Crawford of Fairfield, Connecticut, writes that in "Daniel Harum," an 1898 book by Edward Noyes Westcott, the title character is advising a timorous friend to get up and lead the church choir, despite its challenges: "They say a reasonable amount of fleas is good for a dog — keeps him from broodin' over *bein'* a dog, mebbe." Twain on dogs: "If you pick up a starving dog and make him prosperous, he will not bite you," he wrote in "Puddn'head Wilson" in 1894. "This is the principal difference between a dog and a man."

Give Clinton a half-salute for a good quotation, wrong attribution. In another locution, however, he needs total correction.

Asked at a news conference about negotiations with congressional leaders concerning a lowering of the capital gains tax, the president said: "I had no right to say that was a *show stopper* in a deal."

From the context, it appears that Clinton thinks that a *show stopper* stops a show, which is self-evident, but does so in a way that breaks up a deal.

As Barbra Streisand could tell him, a *show stopper* (first used used by Variety on Aug. 19, 1926, in hailing the "itch dance" of the Dixie Four followed by Dave Apollon in a vaudeville show) means "a performance that receives such applause as to temporarily prevent the show from continuing."

A *show stopper* is cause for rejoicing and is definitely not a *deal breaker*. The earliest citation I can find of that term — referring to the admittance of an impediment that has blocked the marriage of many true corporate minds — is by Gary M. Hector in The American Banker of Nov. 18, 1980: "The Canadians collected money that encouraged the Europeans and Americans to label their dispute with the Canadians a *'deal breaker.'*"

I've run the usual traps of lexicographers, merger-and-acquisition bankers and labor mediators and can't come up with an earlier *deal breaker*. Hasn't it been around longer, coined on the analogy of *deal maker*? Lexicographic Irregulars are invited to send earlier citations — hard evidence, not dreamy recollections — to Deal Breakers, c/o Safire, The New York Times Washington Bureau, Washington, D.C. 20006.

Both *show stopper* and *deal breaker* are now often hyphenated, but within a few years should be treated as single words.

New York Times Service

BOOKS

THE MANSION ON THE HILL: Dylan, Young, Geffen, Springsteen, and the Head-on Collision of Rock and Commerce

By Fred Goodman. 431 pages. $25. Times Books.

Reviewed by
David Nicholson

THIS insider history of rock music since the early '60s is fascinating reading, not least for its behind-the-scenes look at the odious characters who made that history. At its best, "The Mansion on the Hill" is informative and infuriating, a story of the wild, the innocent and the egomaniacal that leaves one entirely without illusions about the music and the people involved in making it.

A host of agents, producers, concert promoters and plain hustlers chase the money throughout these pages, raging over conference tables, filing lawsuits, stealing each other's artists and ripping off the unwary. Two stand out because of their influence and longevity, however — David Geffen, "the great robber baron of pop culture," and Jon Landau, Bruce Springsteen's manager.

As Fred Goodman tells it, Geffen built on the techniques and insights of Albert Grossman, who handled Bob Dylan and many others. "The first modern rock manager," Grossman used his artists' moneymaking potential to secure them unprecedented creative freedom and, not coincidentally, a then-unheard of 25 percent commission for himself.

While he worked hard to establish musicians such as Laura Nyro and the Eagles, as Goodman portrays him Geffen was concerned ultimately only with his own success.

If Geffen represents the side of the industry that values money more than the music, Landau, though "unapologetically mercenary," genuinely loved rock. "In my own moments of greatest need," he once wrote, "I never give up the search for sounds that can answer every impulse, consume all emotion, cleanse and purify — all things that we have no right to expect from even the greatest works of art but which we can occasionally derive from them."

That line comes from the essay in which Landau proclaimed, "I saw rock and roll's future and its name is Bruce Springsteen." The endorsement, made when Landau was perhaps the most influential rock critic, led to Landau's producing Springsteen's breakthrough 1975 album, "Born to Run."

If "The Mansion on the Hill" merely told us how these men, and many others, helped the record industry grow from $500 million in 1962 to an estimated $20 billion this year —most of it fueled by rock — it would be invaluable. Unfortunately, the book is threaded through with a not altogether convincing thesis.

As Goodman sees it, rock once embraced "a search for authenticity and an explicit rejection of consumerism and mainstream values." This countercultural ethic resonated with listeners, so much so that the music attracted visionary and unscrupulous entrepreneurs determined to exploit its commercial potential.

Springsteen's career, as directed by Landau, provides some of the best evidence to support Goodman's claims. Springsteen's talent was undeniable, but his ascent was as much due to a carefully thought out and perfectly executed game plan as to his musical ability. And Springsteen accommodated the star-making machinery, even crafting an image of civic-mindedness by making $10,000 donations to local charities on his "Born in the USA" tour.

Admirable, except that the tour grossed $147 million in ticket and souvenir merchandise sales.

"The Mansion on the Hill" is a good book burdened with unnecessary '60s nostalgia.

David Nicholson, a writer based in Washington, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

EDGAR Kaplan, Norman Kay, Walter Schafer, Brian Glubok, Geir Helgemo and Bart Bramley captured the Open Swiss Team title at the American Contract Bridge League's Spring Nationals.

On the diagramed deal, Kaplan, North, applauded brilliant play by his Norwegian partner, Helgemo. He had little room to maneuver when the opponents bid pre-emptively to game, and his leap to six diamonds was a reasonable gamble. It might appear he was due to fail, losing a trick in each black suit.

The opening heart lead was ruffed, and the diamond ace was cashed to draw the trumps. South then led a low spade and finessed dummy's seven. East won with the jack, marking West with the eight, and returned the five. This was suspicious, since East could clearly have returned a heart painlessly. South correctly concluded that East was being tricky, and played low from his hand. He won with the nine in dummy, and cashed two more spade winners. This permitted a club discard from the dummy, and a club ruff provided the 12th trick.

If East had returned a heart at the fourth trick, Helgemo would still have made his slam. He would have ruffed, crossed to dummy with a trump and led the spade nine, pinning the eight. If this was covered, he would have returned to dummy and taken another spade finesse, again maneuvering a club ruff.

The question arises: How could Helgemo place all the spade honors on his right? The answer is psychological. Even the best West player, able to win the third trick, would have twitched slightly before playing low. There had been no twitch.

The same contract failed in the replay, and the team gained 16 imps.

NORTH
♠ 9 7 4
♡ 9 7 5 2
◇ K 10 8 6
♣ 9 2

WEST
♠ 8 2
♡ K Q J 8 3
◇ 5
♣ K J 10 6 5 4

EAST
♠ Q J 10 5
♡ A 10 6 4
◇ 3
♣ Q J 7 3

SOUTH
♠ A K 6 3
♡ —
◇ A Q J 9 7 4 2
♣ A 8

Both sides were vulnerable. The bidding:

West	North	East	South
2 ♡	Pass	4 ♡	6 ◇
Pass	Pass	Pass	

West led the heart king.

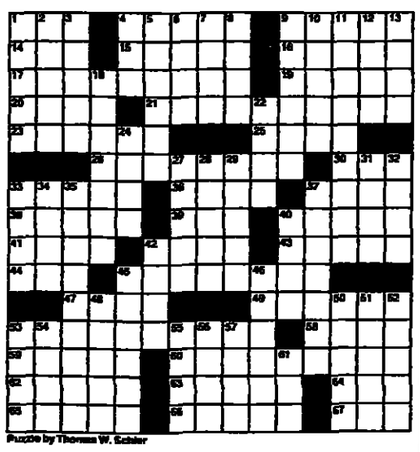
CROSSWORD

ACROSS

1 Title car in a 1964 song
4 Month after marzo, in Mexico
9 Indian prince
14 Urban music
15 Tired
16 Uneven, as the border of a leaf
17 Oscar director for "Gentleman's Agreement"
19 —— Moore stew
20 N.Y. neighbor
21 Oscar actress for "The Accidental Tourist"
22 Dramatist Eugene
25 Taboo
26 Oscar actress for "Shampoo"
30 Doctrine: Suffix
33 Easy golf putt
36 In —— land (spacy)
37 Make eyes at
38 Pleasingly mirthful
39 Rocker Brian
40 —— water (facing trouble)
41 In unison, musically
42 Johann Sebastian ——
43 Stop holding
44 —— de mer
46 Oscar actor for "Forrest Gump"
47 Bank job?
49 Shoot-'em-ups
53 Oscar actor for "The Color of Money"
58 Region
59 Beckon to enter
60 Oscar actor for "Harry and Tonto"
62 Depart
63 Fiend
64 "—— Got Sixpence"
65 Concentrated beam
66 Plant disease
67 Always, to a poet

DOWN

1 Artist El ——
2 Eagle's claw
3 Think out loud
4 Parrot's cry
5 Snoopy, for one
6 Bring down the house
7 Hymn "Dies ——"
8 City northeast of Boston
9 Measles symptom
10 Suffix with sect
11 Oscar actor for "Coming Home"
12 Italian wine center
13 Cries of surprise
18 Dye ingredient
22 "—— Karenina"
24 Pre-Easter season
27 Flash of light
28 Cowhand's home
29 Hilo hello
31 Work long and hard
32 "Take —— your leader"
33 Monorail unit
34 Verdi opera
35 Oscar actor for "Watch on the Rhine"
37 Poor movie rating
40 Actress Chase
42 Snack for a dog
45 Leather worker
48 Sarge, for one
48 Martini garnish
50 "Sesame Street" regular
51 Christopher of "Superman"
52 Pop singer Leo
53 Cast a —— over
54 On the briny
55 Walk in the surf
56 60's TV horse
57 "Look ——!"
61 Literary olio



Puzzle by Thomas W. Schier

© New York Times/Edited by Will Shortz.

Solution to Puzzle of March 21

M	A	H	J	O	N	G	G		O	C	U	L	A	R
O	L	E	A	N	D	E	R		K	A	R	A	T	E
W	A	R	P	L	A	N	E		A	L	I	C	I	A
		A	Q	K		C	O	P	L	A	Y	E	R	
H	A	D	N	O		I	R	I	S	H				
A	R	R		K	R	A	Z	Y			H	A	O	
Z	O	O	K	E	E	P	E	R		S	E	N	N	A
E	M	P	E	R	O	R		O	F	T	E	N	E	R
L	A	I	R	S		I	N	T	R	E	P	I	D	S
	S	N	O			C	E	S	A	R		E	G	O
		S	Y	D	O	W			I	B	S	E	N	
F	A	D	E	O	U	T	S		I	L	E			
U	R	A	N	U	S		M	A	R	I	G	O	L	D
R	O	B	E	R	T		A	M	A	Z	O	N	I	A
L	O	S	S	E	S		N	I	N	E	T	E	E	N

INTERNATIONAL

Reading Suharto's Mind Via Financier

As Family Fortune Is Secured, Gossip Sprouts About President's Plans

By Seth Mydans
New York Times Service

JAKARTA, Indonesia — He owns forests, paper and plywood mills, airlines and banks, and last month he brokered a deal that gave him a major share in what may be the world's largest gold deposit.

But the biggest asset of Mohamad (Bob) Hasan is worth more than gold. As he said recently, "I've been friends with the president for more than 40 years."

The son of an ethnic Chinese wholesale merchant, Mr. Hasan, 66, has long been known as a trusted friend and golfing partner of President Suharto as well as the administrator of the president's multibillion-dollar charitable foundations.

But over the last year, since the death of Mr. Suharto's wife, Siti Hartinah, his role appears to have expanded as presidential confidant and peacemaker among the 75-year-old president's six powerful and sometimes feuding children.

And in the last few weeks his financial profile rose dramatically when he stepped in to secure a stake in the hotly contested Busang gold mine in East Kalimantan, and a few days later became head of the country's biggest carmaker.

His increasingly prominent business dealings have fueled gossip over the country's prime topic of speculation, the plans of the president, who is widely expected to seek a seventh five-year term next year.

A question being asked in Indonesia is: Through his aggressive business moves, is Mr. Hasan helping to secure the Suharto family's financial future? And does this mean the president is thinking of stepping aside?

"If you are trying to read the president's mind, one way is to watch his friend Bob Hasan," said a foreign businessman. "And one way to look at what he is doing is that he is finding secure parking places for the family wealth."

Mr. Hasan has known Mr. Suharto since the 1950s, when the future president was a colonel serving in central Java. As the godson of a prominent general, Mr. Hasan was in a position to help further Mr. Suharto's career, and as Mr. Suharto ascended to leadership, Mr. Hasan's fortunes rose also.

His financial base is his position as chief executive and 10 percent owner of Nusamba, the investment vehicle for the president's three charitable trusts, with assets estimated at $5 billion or more.

Mr. Suharto owns 80 percent of Nusamba, and the president's eldest son, Sigit Harjojudanto, owns the remaining 10 percent.

Mr. Hasan's move to gain control of the automobile company Astra International was seen as a way to end a feud between two other Suharto sons over who would be in charge of a project to manufacture a national car.

The projects hurried forward, but neither seemed headed for success. Industry analysts say they now expect the brothers' projects to be consolidated under Mr. Hasan's company.

The struggle for control over the Busang gold mine also involved two Suharto children: Sigit and the oldest daughter, Siti Hardijanti Rukmana, who has substantial business interests.

Indonesian mining officials struggled ineffectually to find a formula that would include both branches of the family. And the struggle roused complaints in the Indonesian press that the country's wealth was being handed away to foreign companies.

In a complicated deal, Mr. Hasan apparently helped settle, for now, the competing claims of the mining companies, placated nationalist demands and, to all appearances, calmed the various branches of the Suharto family.

Bre-X Minerals, a Canadian exploration company — and its partner Mrs. Rukmana — got a 45 percent stake in the mine. Freeport-McMoRan Copper and Gold, a U.S. mining company with close government connections, won a 15 percent stake and will be the operator of the mine. The Indonesian government itself got 10 percent.

And the remaining 30 percent went to two Indonesian mining companies that are controlled by Nusamba, the foundation owned by Mr. Hasan, Mr. Suharto and his son Sigit.

BRIEFLY

2d UN Food Delivery Crosses Into Iraq

BAGHDAD — The second consignment of food mandated by an oil-for-food deal with the United Nations has crossed into Iraq, official newspapers said Sunday.

An official of the Commerce Ministry, quoted in Baghdad newspapers, said 31 trucks carrying beans, vegetable oil and chick peas crossed the Turkish-Iraqi border Saturday. The first delivery was made Thursday.

The first ship bringing food supplies — 13,000 tons of Thai rice — is due to dock at the southern port of Umm Qasr on Monday, according to a UN official in Baghdad.

Under the UN agreement, Iraq can export $2 billion dollars' worth of oil every six months to buy food and medicines for its people, who have been living under worldwide sanctions for more than six years.

The UN is to start distributing the food and medicine in April under strict supervision. About 100 observers are now in the country. *(AFP)*

Massacres in Algeria

ALGIERS — In another attack on a rural Algerian village, Islamic militants have slit the throats of seven civilians in a town south of the capital, Algiers, an independent newspaper reported Sunday.

Forty men swept through Ouzra on Friday, a village in the Berrouaghia region 100 kilometers (60 miles) south of Algiers, killing seven women, La Tribune, a French language daily, reported.

According to villagers at the victims' funerals on Saturday, the leader of the group carried a list of names of people to be executed.

The leader said he represented the Armed Islamic Group, which has been accused by the government of carrying out massacres across the country.

Thirty-two people were reportedly executed in a similar massacre Wednesday in a village 50 kilometers farther south.

Reports in the independent French language media said Islamic militants were also responsible for the Wednesday massacre. There was no immediate claim of responsibility for that attack, which was not reported by the pro-government media. *(AP)*



Emile Wamsteker/The Associated Press

WELCOME — Baby D, smallest of four identical twin sisters born last week, being tended to in a hospital in New Hyde Park, New York. She weighed two pounds.

Cuba-U.S. Dispute

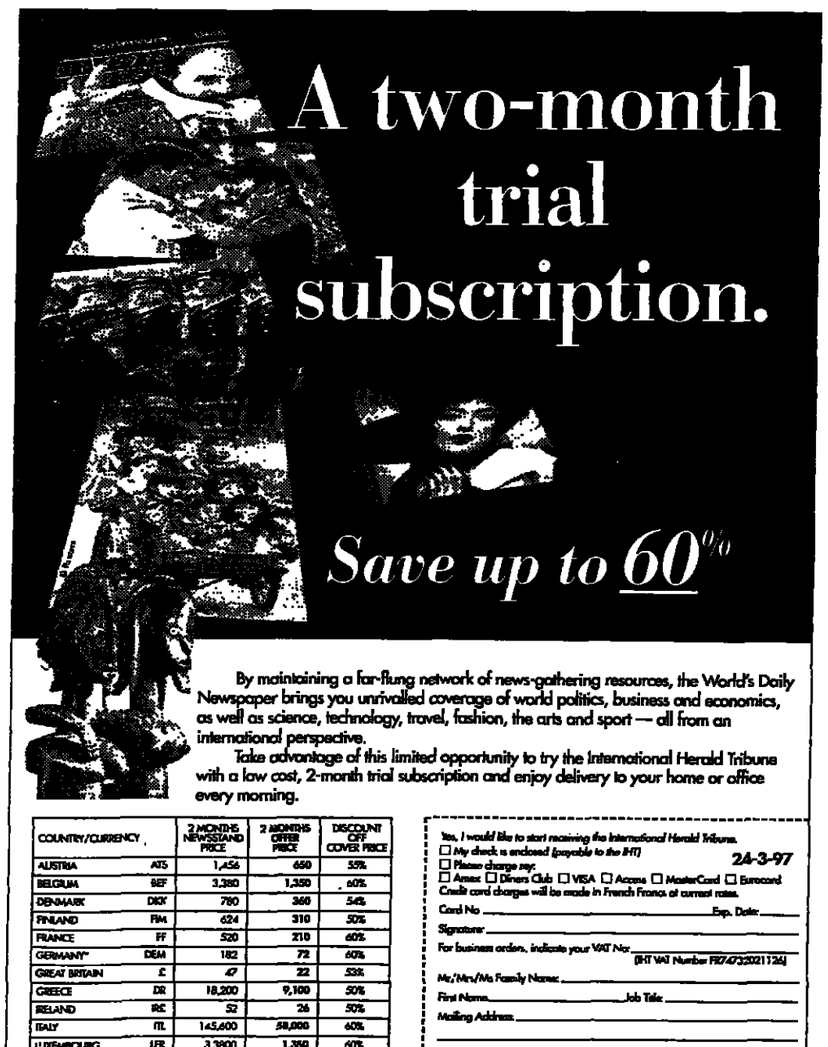
HAVANA — Cuba has rejected a U.S. protest that it opened a diplomatic pouch, while at the same time claiming the pouch carried subversive materials that violated Cuban laws.

The United States said Friday that it had lodged a formal protest with Cuba because officials there interfered with several diplomatic pouches destined for the U.S. interests section in Havana. The State Department spokesman, Nicholas Burns, called the incident "a blatant violation of international diplomatic law."

Cuba said Saturday that the diplomatic pouch arrived open at the international airport on Feb. 18 in a plane belonging to a foreign company.

"This company," the Cuban statement said, "officially informed the U.S interests section of the open diplomatic pouch."

The statement said the open pouch contained copies of a subversive booklet that "evidently was going to be distributed by the U.S Interests Section as part of its policy of aggression against Cuba." *(Reuters)*



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Iranians Gear Up for a Strange Experience: The Presidential Race

By Elaine Sciolino
New York Times Service

WASHINGTON — It is not what one might expect from Iran.

On May 23, all Iranian citizens over the age of 15 — both male and female — are eligible to vote in the most significant contest for the presidency in Iran's 18-year-old revolution.

Officially, none of the candidates has been approved and the campaign is still weeks away.

But the front-runner, using his power base as speaker of Parliament, is making promises to improve the economy, keep away from the United States and enforce stricter Islamic law. The leading underdog, wooing women and teenagers, is pledging more personal freedom, more jobs and no more male supremacy. And eight other would-be candidates are struggling to be heard.

This is presidential politics, Iranian-style: tough, nasty, confusing and full of alliance-building, horse-trading and mud-slinging. Is it democracy? Not by Western standards. But it is not the dictatorial system that the State Department has called it either.

Rather, Iran is at the same time a country of brutal repression, and one with flashes of surprisingly open debate. It is a combination designed to keep an elite acceptable to the Islamic Republic in power, and the population in check.

"There is space — but only restricted space — for political competition in Iran," said Shaul Bakhash, a historian. "The competition is limited to candidates and groups acceptable to the regime, and outsiders are not allowed to seriously participate in elections or the political process. I call it the politics of the ruling elite."

The reason there is a presidential election at all is that President Hashemi Rafsanjani has already served the maximum two four-year terms allowed under the Iranian Constitution.

For months now, the leading candidate has been Ali Akbar Nateq-Noori, speaker of Parliament and a midlevel clergyman with unimpressive religious credentials. Just a few months ago, he seemed a shoo-in.

But at least one other candidate has emerged as a serious contender: Mohammed Khatami, a cleric who served as minister of Islamic guidance for a decade until he was forced to resign for allowing too much freedom in the press, publishing and the arts.

Still, it isn't just anyone who can run for president. The council of guardians, a body that is dominated by the clerics and supervises elections, must approve all candidates. In last year's parliamentary election, it disqualified about 40 percent of the 5,000 would-be candidates.

In the last presidential election, in 1993, more than 100 candidates tried to run; only three did. And although Iran's spiritual leader, Ayatollah Sayed Ali Khamenei, has declared himself neutral in this one, no candidate who did not meet with his approval could run.

Still, as the balloting draws near, what looks like a campaign of genuine issues and candidates is playing out.

Officially, political parties are banned in Iran, but clearly identifiable factions with clearly identifiable views are not.

Mr. Nateq-Noori has the endorsement of the Society of Combatant Clergy, a political grouping he heads that is dominated by socially conservative clerics and supported by bazaar merchants who care about free foreign trade but not necessarily about foreign investment.

That support brings with it the power of a well-organized political machine with the resources to get out the vote: the nationwide network of mosques.

There are no reliable opinion polls in Iran, but a three-week tour of interviews around the country in December suggested that there is a widely held view that Mr. Nateq-Noori would only make Iran's economic problems worse and that he by no means enjoys the popular support that Mr. Rafsanjani does.

Enter Mr. Khatami. He has the backing of two strong groups on opposite ends of the political spectrum: the left-leaning Coalition of the Imam's Line, which supports state control of the economy and more equal distribution of wealth; and, if some newspapers are to be believed, all but one member of the Servants of Construction, which opposes state control of the economy, favors more foreign investment and better relations with the West. It is aligned with Mr. Rafsanjani, but he has vowed not to endorse any candidate.

Mr. Khatami is also popular among university students and intellectuals. Teenagers are important, since about half the population has been born since the revolution.

Even though the campaign does not officially start for weeks, Mr. Nateq-Noori is crisscrossing the country in an effort to bolster his strong lead. He traveled recently from town to town in his native Mazandaran Province, visiting hospitals and schools, inaugurating factories, bakeries and even buildings — trailed all the way by crews from the state television, which extensively aired his pronouncements every night.

In their speeches, the candidates say little about the cultural onslaught of the West or confronting world arrogance, and much, much more about corruption, inflation, inequality and jobs.

Some subjects are too hot for debate — the Arab-Israeli peace process or the death warrant on the author Salman Rushdie, for example. But there have been hints that there is even room for some discussion of Iran's relationship with the United States.

On a campaign stop in Urumiyeh last month, Mohammed Mohammadi Reyshahri, a former intelligence minister, did not even mention "death to America" on his list of priorities. And Ibraham Yazdi, an English-speaking former foreign minister who once lived in Texas, announced a week ago that he favors "normal relations with America" and the creation of "a democratic atmosphere" in Iran.

But, then, Mr. Yazdi's group, the Liberation Movement of Iran, has never been allowed to run in any Iranian election. It is just not considered Islamic enough by Iran's theocrats.

"In a true democracy, the people give legitimacy to their government," said Stephen Fairbanks, a visiting scholar at the Woodrow Wilson International Center for Scholars who is writing a study of Iran's political system. "But Iran's system claims its legitimacy comes from God."

NATO: *Russian Vindicates Clinton's Trust*

Continued from Page 1

time in the last two years — speaking clearly and wittily, without slurring his words.

But the summit meeting also showed the fragility of the Russian state, where the whims and wisdom of one man, even if elected democratically, can still dictate the policy of the nation. Mr. Yeltsin understands that in some fundamental way, Russia is still on probation.

Five or six years of haphazard democracy and a wayward path toward a market economy are not enough to make Central and Eastern Europeans confident that Russia has turned its back on its imperial, totalitarian history. That is reason enough for them to want to join the North Atlantic Treaty Organization — in case Russia reverts.

And Mr. Yeltsin, who as president of Soviet Russia supported the independence of the Baltic nations in his battle against Mr. Gorbachev, knows it very well. Never a "greater Russia" chauvinist like his first vice president, Alexander Rutskoi, Mr. Yeltsin has shown moderation on nationalist issues, like the fate of ethnic Russians living in Ukrainian Crimea, that could have led to serious confrontation.

It was only in Chechnya, within the Russian Federation itself, that Mr. Yeltsin agreed to use force to end a secession attempt.

But the outcome — the humiliation of the Russian Army, the international embarrassment and condemnation, the revulsion of some of his closest political allies — became a warning not only to the countries of the former Soviet Union and Eastern Europe, but, it seems, to Mr. Yeltsin himself, who was betrayed by the blustering confidence of his military leaders.

Faced with an expanding NATO — the Cold War enemy against which the Warsaw Pact was founded, and which now seeks to absorb some of Moscow's former allies in Europe — Mr. Yeltsin made a difficult choice.

Instead of bluster and opposition, which would have been more popular at home, Mr. Yeltsin chose to look past what he could not stop, to secure Russia's cooperation with the West and avoid a new isolation.

His choice seemed to vindicate Mr. Clinton's faith in him — and served as a rebuff to those in the United States who argued that NATO expansion was a fundamental mistake that would only embitter Russia, doom its slow transition to democracy and a market economy, and create an enemy for the future.

Such warnings may prove right in the long run. But Mr. Yeltsin decided to bargain as best he could to win concessions from NATO in return for a first round of expansion he knew Russia was too weak to stop.

He received some softening of the military aspect of NATO expansion, some confidence that U.S. technology will not drive Russia into a new arms race, some further commitment that the United States will push to invest in Russia and some stronger promises that the United States will welcome Moscow as an important member of international institutions like the World Trade Organization, the Organization for Economic Cooperation and Development and the group of main industrialized countries.

Mr. Yeltsin also got a chance to cut strategic arms, save money and preserve Moscow's cherished nuclear parity with the United States. In an agreement on firm guidelines for a third strategic arms reduction treaty, or START-3, both presidents said nuclear warheads for each side would be cut to 2,000 from 2,500 by the end of 2007 — a third fewer than START-2 limits and two-thirds fewer than under START-1.

The point is to give the Russian Parliament the confidence to ratify START-2 first, in the knowledge that START-3 limits will mean Russia will not have to build a new generation of missiles to keep up with Washington.

"I would say that emotions sometimes get the upper hand in assessing the Russian-U.S. partnership," Mr. Yeltsin said Friday. "That's not the approach that Bill and I have."

The two presidents have now met 12 times, and they feel a clear sense of loyalty to each other.

For all his foibles and maneuverings, it is Mr. Yeltsin who has kept Russia most closely to the path of economic and democratic reform.

Mr. Clinton has to hope that Mr. Yeltsin maintains not only his health but his capacity to keep his seat.

SUMMIT: *Yeltsin Had Few Good Cards*

Continued from Page 1

settled for a much less formal and nonbinding political agreement to be signed by the 16 presidents of NATO's current member states.

"Given the good will of these states, simply the signature of the leaders of these countries will be quite enough," Mr. Yeltsin said simply.

That backpedaling, and the general Russian retreat on NATO, is likely to generate storms of criticism among Mr. Yeltsin's hard-line Communist and nationalist opponents in the Russian Parliament. The Communist Party leader Gennadi Zyuganov called the summit meeting a "crushing defeat."

Indeed, the criticism may be even broader. Opposition to NATO's expansion is one of the few issues on which virtually everyone in the Russian political elite agrees.

The implications of the opposition go beyond Russian domestic politics and may affect arms-control accords that both presidents greeted as a diplomatic triumph.

For instance, an agreement to reduce drastically the number of deployed nuclear warheads by 2007 could easily be torpedoed by a Russian Parliament furious over NATO's expansion plans.

Mr. Yeltsin cockily dismissed that possibility, preferring to join Mr. Clinton in a by-now familiar duet of summitry that is one of the few remaining trappings of Moscow's erstwhile claim to superpower status.

Both presidents hailed a bilateral economic agreement, but in that, too, there were disappointments for the Russians. Despite its economic anemia, Moscow had hoped to be admitted to the club of the world's seven leading industrialized democracies, the Group of Seven. Instead, it had to settle for the purgatory of what Mr. Clinton said would be an expanded Russian role — but not full membership.

The Russians did win a pledge from Mr. Clinton to help finance new American investment in Russia. In fact, the balky pace of U.S. business activity in Russia is not the fault of inadequate support from Washington but rather of Russia's own poor investment climate.

Moreover, in comparing Russia to Latin America, Mr. Clinton may have undermined his own impassioned declaration that it would be "irresponsible" not to promote investment in Russia.

The comparison may have stung many Russians, who tend to regard Latin America as a region of economic hard-luck cases firmly within the U.S. sphere of influence.

Although the expansion of NATO and other outcomes of the summit meeting are likely to bring Mr. Yeltsin some grief at home, he appears well positioned to withstand the criticism, for the time being at least.

His health has rebounded dramatically in the past month. He has just named a new government more committed to economic reform than any since 1992, and it may bear the brunt of much of the opposition in the coming months.

And the Russian Parliament, no matter how vehement its opposition, is not nearly as powerful as the U.S. Congress.

ISRAEL: *Demand to End Terror Attacks*

Continued from Page 1

last Monday in a meeting with King Hussein of Jordan. But Mr. Arafat's lieutenants dismissed it as a "media gimmick."

Along with the government statement, Mr. Netanyahu and senior army officers issued a new salvo of charges that after meeting with Mr. Arafat on March 9, leaders of Hamas and other militant Islamic organizations emerged believing they had received a "green light" to resume terror attacks.

When Mr. Netanyahu first aired the charges last week, before the blast, the U.S. State Department said it had no such information. On Sunday, however, Secretary of State Madeleine Albright agreed that the militant groups apparently believed they had a go-ahead.

"There is clearly a perception of the green light, but no concrete evidence," she said, adding that "there needs to be some improvement" in Mr. Arafat's efforts to stop violence.



TIRANA DEMONSTRATION — Some of the 3,000 people who called for peace Sunday.

ALBANIA: *EU to Send Police*

Continued from Page 1

Netherlands in such a police action. He said Friday that he had reason to believe the plan would be approved. The minister is acting as EU spokesman because the Netherlands currently holds the six-month rotating presidency of the Union.

If approved, the police action would replace an earlier proposal to send European peacekeeping troops, which was rejected at a meeting in the Netherlands last week. Several countries, including France, apparently favored sending troops to Albania to restore order and stem the flood of refugees. But Britain and Germany were adamantly opposed.

Part of the European plan to be discussed Monday involves naming a special European coordinator who will be based in Tirana, the Albanian capital, to oversee the various aid and police actions and to avoid duplication of tasks. Some European groups intend to send observers to elections scheduled for June while the Council of Europe is to advise Albania in changing and updating its legislation.

Mr. van Mierlo, in a briefing in the Dutch Parliament, declined to say who he was proposing as chief coordinator. But he said he preferred someone from a country that is rather removed from the Albanian conflict.

The minister said, however, that the military police force might well be placed under the command of Italy, a country with a larger aid and business presence in Albania than most.

The problems posed were underlined this week by a European fact-finding commission that visited Albania. The Dutch diplomat who led the mission, Jan de Marchant et d'Ansembourg, said that food and medicine were running out in some areas, but that restocking would be difficult as long as parts of the country remained unsafe.

EUROPE: *EU Reaches a Turning Point as It Celebrates 40 Years*

Continued from Page 1

Europe's economic rigidities because welfare systems and labor rules remain in the hands of national governments, he said.

It is emblematic of the struggle to redefine Europe's role that Wim Kok, the Dutch prime minister and EU president who is leading the negotiations on EU reform, shuns Mr. Kohl's argument that European integration is a question of peace or war.

"We should not just look back at World War II," Mr. Kok said. "For young people, that is not a very realistic thing anymore. We are not talking about war between France and Germany. We are talking about giving hope to Eastern Europe."

This wider Europe will inevitably be less federal than the architects of the Maastricht Treaty on European Union envisaged at the start of this decade, Mr. Kok said, and the Union will have to be more selective about launching new common policies. But, he added, "In my view, there is no alternative to the further development of integration." The tensions and doubts prevalent today reflect the far-reaching nature of the imminent decisions on a single currency and constitutional reforms, which will shape Europe into the 21st century.

Monetary union, warns Malcolm Rifkind, the British foreign secretary, will be a radical and divisive departure from 40 years of common policies. "Europe will be divided between those countries that are part of economic and monetary union, and those countries that are not," he said. "This is not what the founding fathers had in mind."

Hints of a potential rupture are already apparent in the strained relations between Germany and southern EU members. While many Germans fear the inclusion of the lira and the peseta will produce a weak euro, leaders of Italy, Spain and Portugal have stepped up their campaign to join monetary union at the outset.

This southern campaign, moreover, underscores the potential for competing regional alliances as Europe expands.

"There is a tendency for the Mediterranean countries to consult among themselves and try to establish a common position on many subjects," Mr. Dini said. "We don't like to see the balance of the Union shift northeast."

EU reform could be equally divisive. On Tuesday, when EU foreign ministers meet in Rome to celebrate the anniversary of the treaty's signing, France and Germany will present a proposal for incorporating the Western European Union, the fledgling defense group, into the European Union. But a merger is opposed by the EU's four neutral countries — Ireland, Sweden, Finland and Austria — as well as by Britain, which fears the plan will undermine U.S. support for European defense through the North Atlantic Treaty Organization.

A separate French-German reform proposal to allow groups of countries to develop common policies without unanimous backing or participation poses a fundamental threat to Europe's cohesiveness, warns Jacques Delors, the former president of the European Commission, the EU executive agency. Rather than forging a coherent avant-garde of countries capable of leading the entire bloc to deeper integration, the so-called flexibility proposal is more likely to spawn a haphazard series of shifting coalitions as some countries cooperate on defense and others on such areas as fighting international crime, Mr. Delors said.

"That's going to complicate the design of Europe and make it absolutely incomprehensible," Mr. Delors said.

While the challenges are immense, few continental politicians question the rationale of integration at a time when economic globalization has reduced the capacity of national governments to act on their own. "The model is more valid than ever, but it's also more difficult than ever," said Jose Maria Gil-Robles Gil-Delgado, the president of the European Parliament.

Karl Lamers, parliamentary foreign policy spokesman for Mr. Kohl's Christian Democratic Union, acknowledged the "regressive nationalism" caused by economic difficulties. "The consensus model is at stake," he said. But he said the budget-cutting reforms being made for monetary union would strengthen Europe's capacity to grow and create jobs.

The long view also inspires optimism, Mr. Dini said. He noted that Europe had progressed a long way from the customs union established by the Treaty of Rome 40 years ago. "No one thought it would work because of productivity differences" between countries, Mr. Dini said. "See where we are today with the single market. This is extraordinary. This is historical."

HONG KONG: *Chinese Suspicions*

Continued from Page 1

The return of Hong Kong, agreed upon by Deng Xiaoping in 1982 in an accord with the British, is supposed to serve as a tribute to the late leader, who had said he wanted to live long enough to see the Chinese flag raised over the territory. And for his successor, Jiang Zemin, president and Communist Party chief, the July 1 ceremonies are supposed to stir patriotic fervor and give Mr. Jiang a boost in the eyes of the public.

Tiananmen Square will be filled that day with people watching the final seconds tick by. For many the excitement is building already.

"As a soldier, I feel that this is a big event," said a recruit from Anhui, who is based in Kunming and was visiting Beijing for the first time. He took a picture of the clock and breathed in deeply. "I feel a sense of historic responsibility — and a sense of pressure. You know what I mean?" he asked.

But the feelings of many in the north range from curiosity to aversion. Their feelings, they say, are based on experience.

"In fact, they themselves have no nationality, and yet Hong Kong people look down on mainlanders," said Yan Wei, an accountant who has worked for two Hong Kong joint venture companies. "It should be us who look down on them."

Miss Yan worked for a company whose directors constantly fought about money and that eventually collapsed. When it stopped paying salaries to her and the staff, she sold off the office supplies and furniture to pay employees.

"Hong Kong business people are slick and sly," she said. "They never tell the truth. It's almost their second nature to lie and cheat other people."

Although Miss Yan has had direct contact with Hong Kong business people, most Chinese know about the territory only from television, books and movies.

"Hong Kong is crowded, busy, energetic," said Wang Jingming. "But the people are selfish. But we love their movies and songs. They know how to make people feel good."

Beijing Television 2 has been canvassing people about where they would travel given the opportunity. About three-quarters have said Hong Kong. Virtually none has said anyplace else in China.

What's so good about Hong Kong? "The shopping. Hong Kong has everything," said Miss Yan, the accountant. "It's a shopper's paradise."

In reality, few Chinese will be able to go to Hong Kong. Even after the territory reverts to Chinese control, strict visa and passport regulations will remain in effect to keep the Chinese masses from clogging Hong Kong — or from savoring Hong Kong's relative freedom.

Average citizens will not get any closer to Hong Kong than they can today. Most will have to settle for celebrations such as those in Tiananmen Square.

Asked how Hong Kong people differed from their northern brethren, an employee of a Jiangsu air-conditioning factory said: "Hong Kong people are tough and aggressive. From watching movies, we see they have mafia problems and robberies." There was one more difference: "They're richer."

JAIL: *For Mexican Gangsters, Maximum Security Is the Lap of Luxury*

Continued from Page 1

er rackets involving prison officials and inmates at one of Reclusorio Norte's sister prisons in the capital city.

"The system itself is corrupt, from the high, high up to the very bottom," said the official, who spoke on condition of anonymity for fear that he could lose his job in the city's judicial system. "It's more than corruption. It's a way of life."

Like this official, most of those interviewed — inmates and former prison administrators alike — agreed to talk only if their names were not published.

Inmates said they feared for their lives. The former prison officials, who continue to work in the criminal justice system, said they risked losing their jobs if they spoke out.

But lengthy interviews with seven prisoners inside Reclusorio Norte during visits over a two-week period, as well as with a former inmate and former senior prison officials outside the prison, produced nearly identical accounts of corruption and life inside.

Reporters did not visit the maximum security section because of the potential danger to inmates willing to allow them access. But the details provided by those interviewed vividly illustrate the operations in the exclusive compound.

The sprawling prison complex was depicted in the interviews as a microcosm of Mexico's justice system, where officials at every level — from street cops to police chiefs, from prosecutors to judges to state and federal anti-drug enforcers — are on the take.

Reclusorio Norte is typical of prisons across Mexico — a reflection of the social and criminal ills that afflict the nation, where the same drug mafias and crime gangs that rule cities and run illegal businesses on the outside move their activities inside the prisons. As on the outside, it is the poor and uneducated majority who suffer most under the corrupt system, forced to pay bribes for family visits, beds and safe passage within the prison.

Prison officials declined to comment on the allegations of corruption. The director of Reclusorio Norte, Saul Moctezuma Herrera, referred all inquiries to Jose Raul Gutierrez Serrano, Mexico City's chief corrections officer. He, too, refused several interview requests.

City lawmakers threatened to fire Mr. Gutierrez last year in connection with allegations of drug trafficking at the prison, special privileges granted to prisoners who pay large bribes and human rights abuses. When he appeared before the justice committee of the city's Legislative Assembly, which was investigating him, Mr. Gutierrez said: "There is no corruption in any of the prisons. Nor have I witnessed any examples of privileges given to prisoners."

The Human Rights Commission in Mexico City, however, has published numerous reports, the most recent on March 7, criticizing corruption, extortion, special privileges doled out to high-profile prisoners and numerous other problems at Reclusorio Norte and other prisons in the capital. Designed as a facility to hold up to 1,440 local prisoners awaiting trial, Reclusorio Norte houses as many as 4,000 federal and local inmates who are sentenced or waiting to be tried.

While a select few of its high-profile prisoners are living in relative luxury, the majority — like tens of thousands of prisoners across Mexico — are poor men and women who frequently are victimized by inmate gangs and corrupt guards.

Several of the inmates interviewed have visited the maximum security compound numerous times, often to take advantage of activities conducted by its powerful residents.

Far more insidious than their comfortable living conditions are the illegal businesses the maximum security inmates run from their prison apartments and the power they exert over prison operations.

The residents of maximum security control activities from prostitution rings to drug and alcohol concessions, according to inmates and former prison officials.

Race

to Send P

ONG KONG

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Herald Tribune INTERNATIONAL

BUSINESS/FINANCE

MONDAY, MARCH 24, 1997

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Market Feeds Cash to Poor Economies

Private-Capital Flows Up $60 Billion in 1996

By Erik Ipsen
International Herald Tribune

LONDON — Private-capital flows to developing countries jumped by $60 billion last year, amid signs of an increasing shift in popularity away from bank loans to stocks and bonds, according to a World Bank report released Sunday.

That enthusiasm offset the fact that government assistance for those economies has declined, the report noted.

Flows of private capital now represent more than 80 percent of funds going to the developing world, the World Bank said.

This trend, one aspect of economic globalization, has been extremely rapid, the bank said. Over a six-year period, the total flow of funds to developing countries has multiplied by almost three, and private flows by six.

"Investors are trying to diversify their portfolio and to maximize their profits on dynamic emergent markets," the report said.

The developing countries, for their part, are making efforts to improve economic management, strengthen financial institutions, reform investment rules, and take a more receptive attitude toward private financing of their infrastructures, the World Bank said.

The result is that placements of shares and bonds have chalked up spectacular progress, from $28 billion in 1995 to $46 billion last year. The majority of the borrowers are from the private sector.

Meanwhile, foreign direct investment rose $14 billion, to $109.5 billion last year — more than four times the amount at the beginning of the decade.

Those figures compare with net commercial bank lending to emerging markets last year that totaled $34.2 billion, up 29 percent. "Private capital flows are shifting from debt more to equities," said Ronald Johannes, the principal author of the report. While the amount of private money pouring into developing countries continued to rise, funds from official sources, such as governments and multilateral institutions, dropped by $12 billion, to $40.8 billion.

According to the study, one of the drawbacks to the increasing reliance on the free market to allocate capital has been that less money has reached the neediest nations. Just a dozen countries got three-quarters of all external private capital flows last year, the study noted.

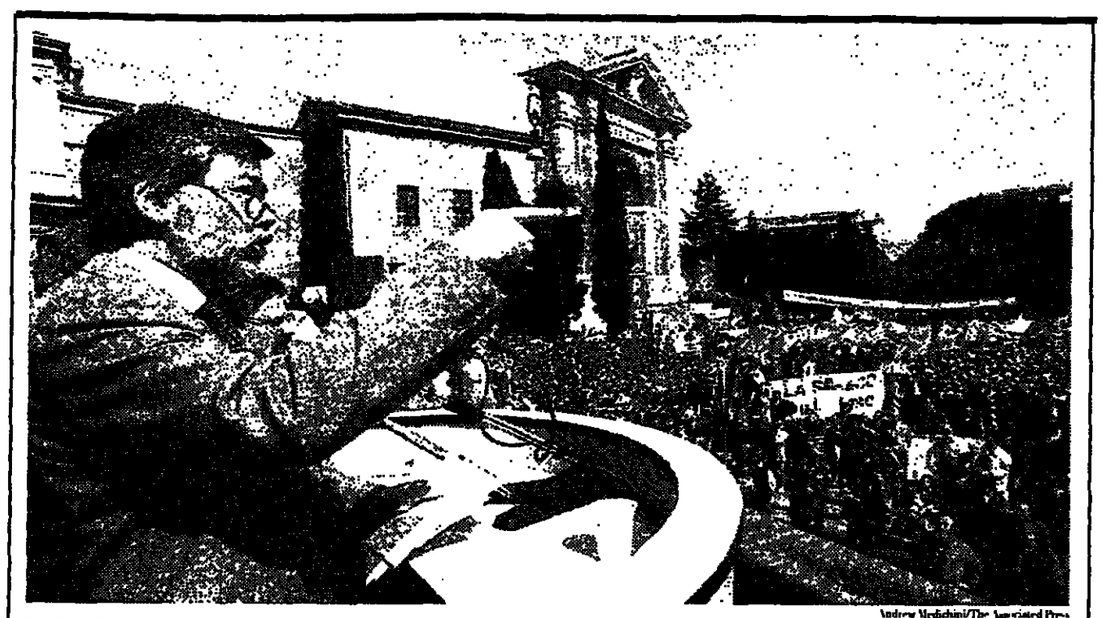
China was the most popular destination for private capital for the second year in a row, with a net inflow of $52 billion. Mexico, the next most popular country, received $28 billion. Russia remained relatively out of favor, garnering $3.6 billion in private money last year, $1 billion short of the net for Chile.

Excluding India and China, the group of low-income nations received just 3 percent of the flow of private funds. The amount of private capital going into sub-Saharan Africa rose, but remained very low at $11 billion.

Another problem with the increasing reliance on the private sector is that a large proportion of the money that it has brought to emerging markets may not stay long.

Portfolio flows, which are volatile, accounted for 38 percent of all private flows last year, helping boost the total value of developing country stock markets to $1.5 trillion, 10 percent of the global total.

The danger, warned Mr. Ahmed, is that "individual countries will see some reversals as well."



Andrew Medichini/The Associated Press

RALLY FOR JOBS — Sergio Cofferati, an Italian union leader, speaking to workers in Rome over the weekend during a march by tens of thousands of people to prod the government into action to boost employment in Italy.

Suez and Lyonnaise Set for a Merger?

Compiled by Our Staff From Dispatches

PARIS — Compagnie de Suez SA, a French holding company, and Lyonnaise des Eaux SA, a utility, will present plans to merge at a meeting of the Suez management on April 1, according to published reports.

Suez's chairman, Gerard Mestrallet, and Lyonnaise's chairman, Jerome Monod, held talks over the weekend aimed at drafting the terms of the alliance, the daily Le Monde reported Saturday.

Le Monde said Jean-Louis Beffa, chairman of glassmaker Compagnie de Saint-Gobain SA, was also involved in the talks. Saint-Gobain holds 6 percent of Suez's capital and 10 percent of the voting rights.

Suez confirmed that Mr. Mestrallet was in a meeting at the company's Paris headquarters. A company spokeswoman, Michele Meyzie, would not "comment at all" on reports of a merger.

Such a merger would create one of France's 10 biggest companies with a market capitalization of 80 billion francs ($14 billion) and would benefit both Suez and Lyonnaise, analysts said.

The financial weekly Investir reported Friday that Compagnie Generale des Eaux SA was considering a hostile bid for Suez to block a merger between Suez and its rival Lyonnaise. But a source close to the group said Friday that Generale des Eaux would not seek to acquire Suez.

Suez wants to focus its portfolio on utilities and industrial companies after selling its banking unit last year. Lyonnaise needs cash, which Suez is in a position to supply, to compete with its bigger rival Generale des Eaux, analysts said.

Speculation of a merger pushed Suez shares up 4.9 percent Friday, to 280.4 francs. Lyonnaise shares lost 1 franc, to close at 561 francs.

Suez already owns 18 percent of Lyonnaise. The purchase of the shares it does not already own would cost about 27.3 billion francs, based on Friday's share price. Just under half that sum could be financed from the proceeds of the sale of Banque Indosuez, a French bank, last year to Credit Agricole for 11.9 billion francs.

Suez, which was founded in the last

See SUEZ, Page 15

Pork Crisis to Undercut Taiwan's Growth

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan's pork crisis deepened Sunday as hog breeders threatened protests and the Economics Ministry predicted that losses from an outbreak of foot-and-mouth disease among pigs would reach about $10 billion and slow growth in gross domestic product by 0.10 to 1.40 percentage points this year.

Japan and Korea banned imports of Taiwan pork on Friday, a day after Taiwan said that it would halt exports of pork after the contagious disease was discovered on about 20 farms. Taiwan exported $1.6 billion of pork last year and is Japan's largest single source of pork products.

On Sunday, breeders fearful of huge income losses threatened to set free hundreds of diseased pigs in Taipei to protest what they viewed as the government's failure to control the disease.

"If the government fails to give us reasonable subsidies and offer us financial and technical aid to slaughter the diseased pigs, we will not rule out setting free hundreds of pigs in Taipei," an official with the Hog Breeding Association said.

He said that a meeting of breeders on Friday had decided that the government needs to provide 3,000 Taiwan dollars ($108.97) per kilogram in compensation for each pig slaughtered. The government's Council of Agriculture has agreed to provide 2,400 dollars per kilogram.

Breeders estimated the number of infected hogs at more than 150,000, out of a total hog population of 14 million. The disease is usually fatal in livestock but is rarely contracted by humans, although they can be carriers of it.

Local newspapers reported that some veterinarians had warned agriculture and health authorities of a possible outbreak of the disease a year ago but the government failed to act. *(Bloomberg, Reuters)*

Waigel Seeks Cuts In Social Spending

Move Aims to Meet Euro Goals

By John Schmid
International Herald Tribune

FRANKFURT — Finance Minister Theo Waigel called for specific cuts in social-aid spending during the weekend, stepping up what has become a new government strategy to quell the growing fears that uncontrolled German deficits will postpone the launch of a single European currency.

A German union leader swiftly rejected any further austerity measures for the sake of currency union, reflecting how unpopular the notion of further entitlement reductions have become after the Bonn government's austerity drive last year.

Roland Issen, chairman of the DAG service-sector trade union, on Sunday charged that additional sacrifices in social spending would heap more problems on the struggling labor market, which registers the highest unemployment ever.

Germany stands "a good chance" of bringing its deficit below the 3 percent of gross domestic product required for the 1999 inauguration of the euro, Mr. Waigel said in an interview in the latest edition of the weekly magazine Der Spiegel. Higher taxes were possible as a last resort to tame the deficit, he said.

Mr. Waigel's calls for new budget cuts echo the views of Wolfgang Schaeuble, a top adviser to Chancellor Helmut Kohl and parliamentary leader of Germany's governing Christian Democrats, who warned last week that Germany "could well need more restrictive policies this year."

Mr. Schaeuble dismissed reports that record unemployment would expand the deficit through higher-than-budgeted jobless benefit payments and uncollected income taxes. He promised that the Bonn government stood ready with budget-cutting formulas "under every conceivable scenario" to slash the deficit to 3 percent of GDP.

Economists say that such reductions are the government's only credible route to blunt speculation of a delay in the euro's start, even if, as Mr. Schaeuble concedes, they come at a time when Germany already is in the throes of a "difficult adjustment in political and social conditions." The government sees no alternative to its hard-line stance on budget cuts. If it strays widely from the 3 percent criteria, it will be more difficult to keep Italy and other southern European economies out of the single-currency club.

In the eyes of the skeptical German public, this would undermine the credibility of the euro as well as the government's re-election chances next year.

"Postponement is out of the question," Mr. Kohl said in an interview that appeared Sunday in the newspaper Welt am Sonntag.

Mr. Kohl accused those who fuel the delay debate of trying to wreck the entire vision of yoking Europe together under the euro. "Many self-appointed experts only want a postponement so that the project is completely put on ice," Mr. Kohl said.

"Others get cold feet when things get tough," the chancellor said in a rebuke to the growing number of politicians and economists who argue that Germany may flunk the deficit criteria.

Mr. Kohl issued his own warning of impending government budget action. "The question is not whether we are going to have European monetary union, but rather: what can we do and what must we do to ensure it starts on time," he said.

Mr. Waigel's weekend declaration was significant because he outlined for the first time where the government's budget ax will fall next: on a program of social aid called *Sozialhilfe*, government support meant to be paid to guarantee government-prescribed living standards when other state-paid benefits are insufficient.

Spending on the program, mostly shouldered by local municipalities, has more than doubled in the past decade, partly because of the waves of political asylum seekers in Germany. Past attempts to curtail spending for the program, which reportedly has been prone to abuses, have met with little success.

Any new round of unpopular cuts will coincide with sinking poll ratings for Mr. Kohl. According to the Politbarometer survey by the Electoral Research Group, Mr. Kohl's popularity rating fell to its lowest for more than two years.

It also showed that Germans were gloomier about their economy than they have been at any time in two decades and that two-thirds of Germans opposed the idea of a single currency but most believed it would be introduced, though with a delay.

Panel calls the plan for the euro a 'recipe for turbulence.' Page 15.

Hebrides Telecommuters Fight Isolation With High Technology

By Andrew Bibby
Special to the Herald Tribune

NORTH UIST, Scotland — Anne Macaulay lives on this isolated island 60 miles (96 kilometers) off the Scottish mainland, and spends most of her working days reading the Salt Lake Tribune, the Denver Post, the St. Louis Post-Dispatch and a host of other U.S. local newspapers.

She is one of about 30 people, mainly women, living in the Hebrides chain of islands who regularly read their way through bundles of newspapers flown in from the States. It does not matter that the news originates thousands of miles away, since Mrs. Macaulay and the other islanders are telecommuters, working from home to produce abstracts of selected articles that are ultimately

CYBERSCAPE

destined to be added to the on-line database called PROMT, run by California-based Information Access Co.

The Hebrides are a patchwork of rocky islands strung into the Atlantic where, although everyone speaks English, the native language is Scots Gaelic, which is closely linked to Irish. Summertime is flush with tourists.

But tourism alone is not enough to ensure a healthy local economy, and the local Western Isles Council has been hoping to overcome its geographical remoteness by embracing the opportunities of technology.

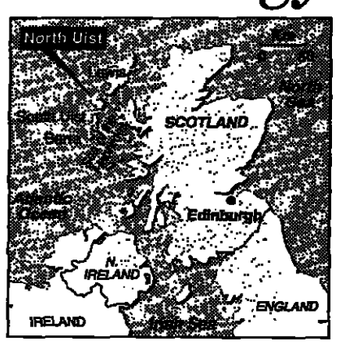
Mrs. Macaulay and her fellow telecommuters are putting this theory to the test. She produces about five or six abstracts an hour, working in the hours when her children are away at school. She then sends the work by E-mail to Lasair Ltd., a small company on the next-door island of Benbecula, which coordinates contracts. There, all the telecommuters' work is collected and sent on its way electronically to California.

While at present the newspapers are physically air-freighted to Scotland, plans are in the works to replace this process with electronic transmission.

Lasair's work with Information Access Co. is about to be supplemented by a contract for editing and indexing for the publisher Oxford University Press, creating about 30 more jobs.

These contracts have come to the Hebrides, in large measure, through the efforts of the Council-funded Western Isles Information, Communications and Technology Advisory Service and its enthusiastic chief, Donnie Morrison.

See ISLE, Page 15



Nippon Meat Pursues Executive

Bloomberg News

TOKYO — Nippon Meat Packers Inc., Japan's largest meat processor, said Sunday that an officer at its wholly-owned U.S. subsidiary had allegedly embezzled as much as $100 million over a seven-year period.

Yasuyoshi Kato, a 39-year old accounting officer at Day-Lee Foods Inc. of Santa Fe Springs, California, allegedly took $80 to $100 million between 1990 and 1997, the company said.

The incident follows a string of financial scandals involving major Japanese companies and raises concerns about their internal oversight. Earlier this month, Nomura Securities Co. said its president would resign to take responsibility for a scandal linking the company to gangsters.

Nippon Meat Packers is seeking a court order to seize Mr. Kato's assets and said it intended to sue Mr. Kato for damages. "We are doing all we can to collect the money," Koichi Nishihara, a spokesman for Nippon Meat Packers, said, adding it was likely Mr. Kato would be fired.

Mr. Nishihara said Mr. Kato had borrowed money from banks under the company's name and had allegedly used the funds to buy real estate and stocks. Mr. Kato, who was an employee of Nippon Meat Packers, was transferred to Day-Lee Foods in 1982 and became a director in 1993.

The meat processor said it would not change its earnings forecast for current, or pretax, profit of 17 billion yen ($137.5 million) for the year through March because its cash reserves of 108.5 billion yen will cover the loss.

CURRENCY RATES

March 21

Cross Rates

	$	£	D.M.	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	£	Peseta
Amsterdam	1.896	3.0495	1.1257	0.3332	0.1124*	—	5.466*	1.3269	1.5486*	1.3745	1.3255*
Brussels	34.80	55.965	20.6575	6.1195	2.064*	18.335	—	23.90	0.283	25.22	24.32*
Frankfurt	1.4921	2.399	—	0.2964	0.1000*	0.8841	4.8465*	1.1391	1.3271*	1.268	1.1784*
London (e)	1.6038	—	2.6497	9.1141	2.7048	3.0371	55.099	2.2307	196.3472	2.2123	229.256
Madrid	145.631	234.925	84.851	25.152	8.487*	75.361	4.1122*	98.256	116.631*	194.277	—
Milan	1,691.35	2,704.39	1,800.70	294.32	—	868.10	48.53	1,158.63	13.71	1,226.00	11.799
New York (e)	—	1.6035*	1.6863	5.6875	1,688.00	1.8968	34.80	1.4575	122.65	1.2789	143.515
Paris	5.7185	9.1415	3.3736	—	0.3375*	2.977	0.1635	3.9065	4.6371*	4.1459	3.9755*
Tokyo	123.80	197.89	73.28	21.70	0.733	65.03	3.5404	85.18	—	89.69	0.865*
Toronto	1.3788	2.2115	0.818	0.2435	0.0810*	0.7231	0.3963*	0.9453	1.122*	—	0.965*
Zurich	1.4559	2.3333	0.8636	0.2557	0.0862*	0.7667	4.1915*	—	1.1595*	1.0553	1.0185*
1 ECU	1.1515	0.7193	1.3991	4.5755	1,548.72	2.194	40.2182	1.6832	141.804	1.536	165.438
1 SDR	1.3756	0.8625	2.3376	N.Q.	2,227.97	2.671	48.001	2.0063	169.924	1.8049	197.681

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York and Toronto rates at 4p.m.
*e: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	266.65	Mex. peso	7.917	S. Afr. rand	4.426
Australian $	1.2739	Hong Kong $	7.7465	N. Zealand $	1.4447	S. Kor. won	884.80
Austrian sch.	11.909	Hung. forint	175.60	Norw. krone	6.708	Swed. krona	7.636
Brazil real	1.0615	Indian rupee	35.89	Phil. peso	26.33	Taiwan $	27.53
Chinese yuan	8.3259	Indo. rupiah	2405.5	Polish zloty	3.07	Thai baht	25.97
Czech koruna	29.17	Irish £	0.6377	Port. escudo	170.06	Turkish lira	124980
Danish krone	6.4495	Israeli shek.	3.3725	Russ. ruble	5721.0	UAE dirham	3.6705
Egypt. pound	3.3938	Kuw. dinar	0.3038	Saudi riyal	3.75	Venez. bolív.	477.00
Fin. markka	5.0435	Malay. ring.	2.4903	Sing. $	1.4455		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5994	1.5986	1.5978	Japanese yen	122.84	122.33	121.76
Canadian dollar	1.3747	1.3715	1.3691	Swiss franc	1.4554	1.4511	1.4465
Deutsche mark	1.6893	1.6862	1.6826				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

FIDELITY FRONTIER FUND
Société d'Investissement à Capital Variable
Kansallis House - Place de l'Etoile
L-1021 Luxembourg
R.C. No B 20494

NOTICE OF ADJOURNED EXTRAORDINARY GENERAL MEETING

As the Extraordinary General Meeting of February 28, 1997 did not reach the quorum of 50 % required by law, notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity Frontier Fund Sicav ("the Company") will be held at the registered office of the Company in Luxembourg on April 9, 1997 at 11.00 a.m., or on any adjourned date, to consider the following agenda:

1. To resolve to liquidate Fidelity Frontier Fund.
2. To appoint Fidelity Investments Luxembourg S.A. as the Liquidator and to determine the powers to be granted to the Liquidator and the liquidation procedure.
3. To fix the date of the second Shareholders' Meeting to hear the Report of the Liquidator and to appoint Coopers & Lybrand as the Auditors of the Company.
4. To fix the date of the third Meeting of Shareholders to hear the Report of the Auditor and to decide the close of the Liquidation of the Company.

No quorum of shares present or represented at the Meeting is required in order to deliberate validly on the agenda. A decision in favour of the resolution no. 1 of the agenda must be approved by Shareholders holding at least 2/3 of the shares represented at the Meeting.

Subject to the limitations imposed by the Articles of Incorporation of the Company with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any Meeting by proxy.

Dated: November 28, 1996
By Order of the Board of Directors

Fidelity Investments™

NOTICE TO THE UNITHOLDERS OF

SKANDIFOND FAR EAST
Registered Office:
16, Boulevard Royal
L-2449 LUXEMBOURG

SKANDIFOND FAR EAST

MANAGEMENT REGULATIONS
(modifications taking effect on April 1, 1997)

Referring to the version dated September 1, 1994, the following modifications have been brought about.

New Version:

ARTICLE 9 - ISSUE PRICE

First paragraph

The issue price of units in a Sub-Fund includes the net asset value of a unit in that Sub-Fund calculated in accordance with Article 7 of these Regulations, increased by a commission which will not exceed 5% of the net asset value; this commission includes all commissions payable to banks and financial establishments taking part in the placement of the units.

ARTICLE 12 - REDEMPTION

First paragraph

Owners of units may apply at any time for redemption of their units, which will be affected at the net asset value ruling at that time, decreased by a commission which will not exceed 0.50% of the net asset value; this commission includes all commissions payable to banks and financial establishments taking part in the redemption of the units.

Fifth paragraph

Confirmation of execution of redemption will be made by dispatching an advice to the unitholder, indicating the name of the Sub-Fund, number and class of units redeemed and the relevant net asset value per unit. Payment will be made in US Dollars, Swedish Kronors, Norwegian Kroners or in the base currency of the Sub-Fund within ten bank business days following the corresponding Valuation Day.

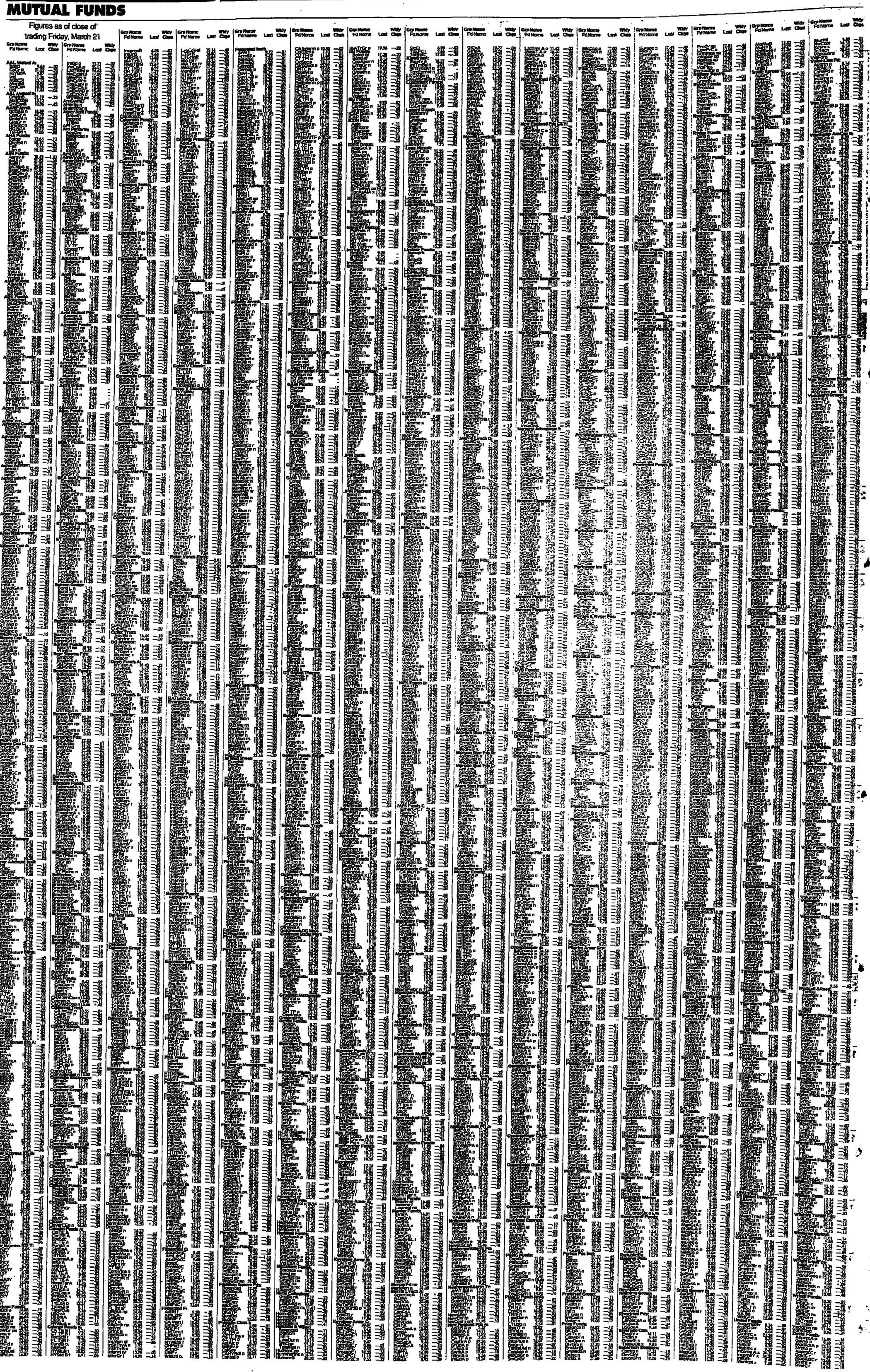
Luxembourg, March 12, 1997.

THE DEPOSITARY BANK
S-E-BANKEN LUXEMBOURG S.A.

SKANDIFOND FAR EAST MANAGEMENT COMPANY S.A.

MUTUAL FUNDS

Figures as of close of trading Friday, March 21



The 1997 International Herald Tribune Survey

Dear Reader

RSVP!

As a reader of the International Herald Tribune, you are of vital importance to the newspaper, whether you are a regular, occasional or even a first-time reader. Only by knowing more about your thoughts on the newspaper content, your lifestyle and your business, can we endeavour to produce a better newspaper.

We would be very grateful if you could take the time to fill in this questionnaire, fold it following the instructions on the reverse side and post it (the postage is already paid).

If you wish to enter our free prize draw, please fill in your name and address in the space provided below - the winner will be sent a case of Brut Réserve Taittinger champagne.

Thank you very much for your time.

Richard McClean
Publisher and Chief Executive

Win A Case Of Brut Réserve Taittinger Champagne via the



CHAMPAGNE TAITTINGER Reims FRANCE

Please indicate your responses with an X in the appropriate boxes.

YOU AND THE INTERNATIONAL HERALD TRIBUNE...

1 - ▶ How important to you are the following items in the International Herald Tribune?

	Very important	Quite important	Not at all important	
Sports	1	2	3	(25)
Leisure (Friday)	1	2	3	(27)
News about:	1	2	3	(28)
Europe	1	2	3	(29)
Asia	1	2	3	(30)
USA	1	2	3	(31)
Rest of Americas	1	2	3	(32)
Middle East	1	2	3	(33)
Other areas	1	2	3	(34)

2 - ▶ Generally, do you find there is too much, not enough or just the right amount of financial and economic coverage in the pages of the International Herald Tribune?
Too much 1 Just right 2 Not enough 3 (35)

3 - ▶ How often do you read the Editorials/Opinion pages?
Always 1 Often 2 Sometimes 3 Never 4 (36)

4 - ▶ How often do you read the daily human interest boxed feature on 'Page Two'?
Always 1 Often 2 Sometimes 3 Never 4 (37)

5 - ▶ How useful do you find the 'ear' on the top right hand corner of the front page in alerting you to the special daily features (eg. 'Style' on Tuesdays, 'Health & Science' on Thursdays, etc.)?
Very useful 1 Quite useful 2 Not at all useful 3 (38)

6 - ▶ How often do you read or look at the IHT?
5-6 days a week 1 1-2 days a week 3 (39)
3-4 days a week 2 Less than once a week 4

7 - ▶ How did you obtain this copy of the IHT?
Home subscription 1 Other office subscription 4 (40)
Colleague/friend 2 Newsstand 5
Personal office subscription 3 Airline/hotel 6
I only read the IHT when traveling 7

8 - ▶ How long have you been reading the IHT?
1-2 years 1 10-14 years 4 (41)
3-5 years 2 15-20 years 5
6-9 years 3 More than 20 years 6

9 - ▶ Who usually reads your copy of the IHT other than yourself?
Your spouse/partner 1 Your children 4 (42)
Colleagues/associates 2 No-one else 5
Family/friends 3

10a - ▶ Have you participated in international surveys relating to your business, travel, lifestyle or readership behavior, either by mail or by telephone in the past two years?
Yes 1 Go to Q10b No 2 (43) - Go to Q11

10b - ▶ If yes, was this an IHT survey 1, or another kind 2? (44)

AIR TRAVEL...

11 - ▶ Approximately how many international business air trips have you made in the last 12 months?
1-5 trips 1 20+ trips 3 (45)
6-19 trips 2 none 4

12 - ▶ Which, if any, of the regions listed below have you visited by air on business in the last 12 months?
Western Europe 1 South East Asia 6 (46)
Eastern/Central Europe 2 Other Asia 7
Middle East 3 North America 8
Africa 4 South/Central America 9
Australasia 5

13 - ▶ For business trips what class of travel do you usually use?

	Trips up to 4 hours	Trips of 4 hours or more	
First Class	1	4	(47)
Business Class	2	5	
Economy	3	6	

14 - ▶ Approximately how many nights have you spent in hotels on business in the last 12 months?
1-14 1 50+ 3 (48)
15-49 2 none 4

15a - ▶ Do you personally, or does your company, own a private jet?
Yes, I personally own a jet 1 Go to Q15b The company I work for owns a jet 2 (49) Go to Q15b
No 3 Go to Q16

15b - ▶ If so, which make?
Canadair 1 Cessna 4 Embraer 7 (50)
Dassault Falcon Jet 2 Galaxy 5 Gulfstream 8
Lear 3 Other 6 Don't know 9

ABOUT YOUR LIFESTYLE...

16 - ▶ Which, if any, of the following cards do you use? (Please check all that apply).

AMEX Gold/Platinum	1 (51)	Car rental card	8
AMEX Green	2	Airline executive club card	9
Visa Gold/Premier	3		
Other Visa	4	International telephone calling cards:	
Diners Club	5	– AT&T	1 (52)
MasterCard Gold	6	– MCI	2
Other MasterCard	7	– Sprint	3
Any other card	8	Any other international calling cards	4

17 - ▶ Which of the following items have you bought in the last 12 months, whether for yourself, your household or as a gift? (Please check all that apply).
Cognac 1 (53)
Blended/malt whisky 2
Canadian/US/Irish whiskey 3
Gin 4
Vodka 5
Champagne 6
Other alcoholic beverages 7
Cigarettes or other tobacco 8
Perfumes 9
Watches 1 (54)
Jewelry 2
Designer clothing 3
Leather handbags/wallets/shoes 4

18 - ▶ How important to you is the brand name when purchasing perfume, alcohol or clothing?

	Very	Quite	Not at all	
Perfume	1	2	3	(55)
Alcohol	1	2	3	(56)
Clothing	1	2	3	(57)

19 - ▶ In the past two years where have you shopped for the kind of items listed above, especially clothes and fashion accessories?

Paris	1	Zurich/Geneva	6 (58)
Milan	2	Madrid/Barcelona	7
London	3	Hong Kong	8
New York	4	Singapore	9
Berlin	5	Tokyo	0

20 - ▶ Which of the following do you currently use?

	Personally	For business	
Personal computer	1	2	(59)
Laptop/notebook/handheld computer	1	2	(60)
E-mail	1	2	(61)
CD-ROM	1	2	(62)
Cellular/mobile phone	1	2	(63)
The Internet/other on-line services:			
– for business and finance information	1	2	(64)
– for general information	1	2	(65)

21 - ▶ Which, if any, of the following publications do you read regularly (at least 3 out of 4 issues)?

Financial Times	1	The Economist	6 (66)
USA Today	2	The European	7
The Asian Wall Street Journal	3	Far Eastern Economic Review	8
The Wall Street Journal Europe	4	Newsweek	9
BusinessWeek	5	Time	0

22 - ▶ In the last 12 months have you...

	Yes	No	
Played golf	1	2	(67)
Played tennis	1	2	(68)
Used a yacht/motorboat	1	2	(69)
Attended a health/sports club	1	2	(70)
Bought art/jewelry/antiques	1	2	(71)
Been to theater/opera/concerts	1	2	(72)
Taken two or more weekend breaks abroad	1	2	(73)
Bought leisure goods/clothing/books by direct mail	1	2	(74)

23 - ▶ How many children do you have either living at home or away from home (but for whom you are financially responsible)?

	None	One	Two	Three	Four or more	
a) aged under 15	1	2	3	4	5	(75)
b) aged 15-18	1	2	3	4	5	(76)
c) aged 19 or over	1	2	3	4	5	(77)

YOUR WORK...

24 - ▶ Are you currently:
Working full/part time 1 A student 3 (28)
Not in paid employment/other 2 Retired 4

25 - ▶ What is your job title or position?
Owner/partner 1 (27) Diplomat/politician/government official 1 (28)
Chairman/president/CEO 2
Managing Director 3 Professional (ie. medical/legal/education) 2
Vice President 4
General Manager 5
Consultant 6 Other job/position (WRITE IN) 3
Other senior position 7
Other manager 8

26a - ▶ What is the main activity of your organization?
Manufacturing/engineering 1 (29) Computing 1 (30)
Primary industry/utilities 2 Telecommunications 2
Construction 3 Other business services 3
Wholesale/retail 4 Education 4
Travel/tourism/transportation 5 Medical 5
Publishing/printing/broadcasting 6 Legal 6
Banking 7 Go to Q26b Government/diplomatic 7
Other financial services 8 Go to Q26b Other (WRITE IN) 1 (31)

26b - ▶ For those of you working in the financial sector, which of the following best describes your job function?
Institutional investor (manager of pension, insurance, mutual or hedge funds) 1 (32)
Broker/advisor/investment banker 2
Other (WRITE IN)

27 - ▶ Please indicate for which of the goods or services listed below you are wholly or partly responsible for your company's decisions to purchase, lease or change suppliers?
Network systems 1 (33)
Desktops/PCs 2
Software 3
Telecommunication systems/equipment/services 4
Other office equipment/technology 5
Company vehicles 6
Corporate/business aircraft 7
Plant and equipment/raw materials 8
Commercial banking services 9
Investment banking services 1 (34)
Other financial services 2
Business services 3
International courier/freight services 4
Business premises/industrial site selection 5

28 - ▶ Do you have international responsibilities in your job?
Yes 1 No 2 (35)

ABOUT YOU...

29 - ▶ I am: Male 1 Female 2 (26)

30 - ▶ Age:
Under 25 1 35-44 3 55-64 5 (27)
25-34 2 45-54 4 65+ 6

31 - ▶ Currently living in:
WRITE IN _____ (country) (38-39)

32 - ▶ A Citizen/National of:
WRITE IN _____ (country) (40-41)

33 - ▶ Educated to:
Doctorate 1 Standard university level 4 (42)
MBA 2 Secondary/high school level 5
Higher university degree level 3

34 - ▶ Approximate household income (pre-tax) in US$ from all sources:
Up to $30,000 1 $150,000 to under $200,000 5 (43)
$30,000 to under $50,000 2 $200,000 to under $300,000 6
$50,000 to under $100,000 3 $300,000 to under $500,000 7
$100,000 to under $150,000 4 $500,000 and over 8
Or, write in own currency: _____

35 - ▶ Which, if any, of the following categories of personal investments and financial services do you have or use?
Life insurance 1 (44)
Private banking 2
Private pension plan 3
Stocks or bonds 4
Government securities 5
Options, futures or investments in:
– Gold/precious metals 6
– Commodities 7
– Foreign currency 8
Mutual funds/unit trusts/investment funds 9
Property/real estate (wholly owned) 0
Collectibles (art, antiques, coins, stamps) *

▶ In order to be eligible for the prize draw*, please write in your full name and address in the space provided.
Title: Mr/Mrs/Miss/Dr/Prof. _____ Other _____
Firstname _____ Family Name _____
Address _____
Postal Code _____ City/Town _____ Country _____
Telephone no. _____
E-mail address _____

Thank you for your cooperation. Now simply follow the folding instructions on the reverse of the questionnaire and please post it.

I do not wish to participate in further IHT surveys over the next 18 months. 1 (45)
I do not wish to receive mailings from other companies. 1 (46)

*Valid where legal.

FIRST FOLD

A

By air mail
Par avion

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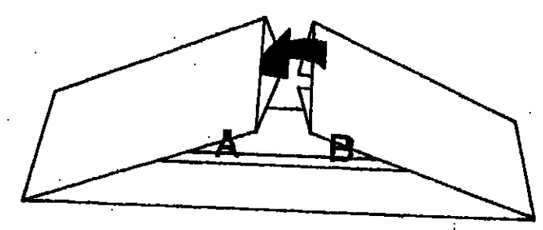
P

B

INTERNATIONAL HERALD TRIBUNE

SECOND FOLD

THIRD FOLD



FOLD IN SEQUENCE
First fold to Fourth fold.
Then tuck Flap B into Flap A.

FOURTH FOLD

For Jittery U. S. Credit Market, It's Not Really Over Until the Fed Sings

Compiled by Our Staff From Dispatches

NEW YORK — The worst is not over for bond investors, even though some would welcome an increase in U.S. interest rates to stop inflation before it picks up speed.

Bond yields are likely to climb next week, if, as expected, the Federal Reserve Board announces a quarter-point increase in the federal funds rate after policymakers meet Tuesday.

"It is highly unusual to have long rates do anything but go up" after the Fed increases target-lending rates, said Fred Quirsfeld, who helps manage $4 billion of bonds at American Express Financial Advisors in Minneapolis. Mr. Quirsfeld said bond yields could rise to 7.5 percent this year if the Fed follows a move Tuesday with more increases.

Even so, the benchmark 30-year Treasury bond barely budged this week, after Alan Greenspan, the Federal Reserve Board chairman, reiterated the central bank's willingness to raise rates to cool the economy and to keep prices in check. Economic reports also provided evidence the economy was growing at a robust pace with little inflation. The yield on the 30-year bond climbed 2 basis points from a week earlier to 6.96 percent.

Bonds did not take a beating because many investors are becoming convinced that a rate increase would fend off inflation and might be good for fixed-income securities in the long run.

Inflation erodes the value of fixed-income securities and erodes long-term ones most of all.

Many investors said they did not see long-term bond prices falling too much after a Fed move because their yields mostly reflect a rate increase already.

Yields on 30-year bonds already jumped more than 40 basis points in the past five weeks — topping 7 percent briefly last week — amid growing concern about economic growth and the prospects for higher rates.

"Long term, it's hard not to be fairly bullish," said James Midanek, a bond manager at Solon Asset Management in Walnut Creek, California. "We have an effective Fed. They are beating down inflation and that means a lower risk premium for bonds."

Donald Maude, chief U.S. fixed-income strategist at Scotia Capital Markets, is among the many bond-market participants who expect the Fed to raise rates by 25 basis points on Tuesday.

Mr. Greenspan was more hawkish on Thursday when speaking to the Joint Economic Committee than he was during testimony last month, and he managed to diffuse criticism from the Congress, he said.

"He basically indicated that they'll tighten," Mr. Maude said, adding that Mr. Greenspan "got very little criticism" from the Joint Economic Committee.

Mr. Maude said Mr. Greenspan spoke as frankly as he could to the committee, "one of the biggest Fed adversaries through the years."

If the Joint Economic Committee wanted to criticize him about a preemptive move, it had the opportunity to do so on Thursday, he said.

Mr. Greenspan might not even have a hard time convincing some of the voting members, he said, adding that some members, such as Robert Parry, the president of the San Francisco Fed, have sounded as hawkish.

John McAuley, economist at Wilkinson Boyd Capital Markets, also expects the Fed to tighten next week.

"I think I have decided that the Fed is going to go Tuesday," Mr. McAuley said. "One of the reasons is that I think strong economic data that we have gotten the last couple of weeks have caused me to change my forecast and probably has changed the Fed staff forecast."

The consumer sector is "much stronger" than anticipated and the housing industry continues to hum along at a good clip, he said.

"The fact that permits for single families was so strong has caused me to raise my forecast for new home sales to 900,000," Mr. McAuley said. The consensus forecast for February new home sales is at a 828,000-unit rate, compared with 870,000 in January.

February new home sales data are expected for release Friday.

He sees first-quarter growth to be close to 3.5 percent but is slightly lower than the 4.0 percent widely forecast before trade data Thursday showed a widening of the trade deficit.

Other investors are less sanguine about the effects of a rate increase. Their view is that once the Fed begins to raise rates, investors will start focusing on the next possible increase and drive bonds lower.

"Once everything begins to sink in, people start to wonder whether this is one of many," said Richard Schwartz, a funds manager for New York Life Asset Management in Parsippany, New Jersey. "My view is that a rally would provide an opportunity to sell."

Another reason bonds may fall is that not all investors are convinced a rate increase is imminent. The yield on the April federal-funds futures contract is 5.46 percent, or 21 basis points more than the Fed's current target rate for overnight loans, suggesting investors are putting the odds of a rate increase at about 85 percent. It also suggests bonds may have room to fall if the Fed raises rates. *(Bloomberg, Bridge News)*

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending March 21. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
Argentine Peso					
211	Argentina	3.177	04/01/07	101.2500	3.1400
Belgian Franc					
230	Belgium	9	03/28/03	118.5100	7.5900
British Pound					
146	Fannie Mae	6⅞	06/07/02	97.6250	7.0400
190	World Bank	6.10	03/17/00	100.6351	6.0600
209	FEK	6¼	03/16/00	100.5995	6.2100
Canadian Dollar					
165	Canada	6½	08/01/99	103.4190	6.2900
234	Canada	6¼	09/15/98	102.7999	6.0800
Danish Krone					
8	Denmark	8	03/15/06	108.1000	7.4000
15	Denmark	8	11/15/01	109.7000	7.2900
27	Denmark	7	11/15/07	100.1500	6.9900
28	Denmark	9	11/15/00	112.1200	8.0300
36	Denmark	8	05/15/03	109.3900	7.3100
44	Denmark	9	11/15/98	107.1100	8.4000
51	Denmark	6	12/10/99	103.0400	5.8200
52	Denmark	7	12/15/04	102.7000	6.8200
54	Denmark	7	11/10/24	92.4300	7.5700
85	Denmark	6	11/15/02	101.1300	5.9300
94	Denmark	6	02/15/99	102.6500	5.8500
113	Nykredit	6	10/01/26	86.2000	6.9600
151	Nykredit Bank	7	10/01/26	93.5000	7.4900
172	Real Kredit	6	10/01/26	86.4300	6.9400
174	Denmark	4	02/15/00	98.4700	4.0600
246	Real Kredit	7	10/01/26	93.4500	7.4900
Deutsche Mark					
1	Germany	6	01/04/07	101.1937	5.9300
2	Germany	6¼	04/26/06	102.5086	6.1000
3	Germany	4¾	11/20/01	101.2593	4.6900
4	Germany	8	01/21/02	112.7300	7.1000
6	Germany	5	08/20/01	101.0825	4.9500
7	Germany	8¼	09/20/01	113.4200	7.2700
9	Germany	6⅞	05/12/05	108.2895	6.3500
10	Germany	5	05/21/01	101.5467	4.9200
11	Germany	7¾	01/03/05	110.2833	6.6900
12	Germany	6	02/16/06	100.7875	5.9500
13	Germany	6½	10/14/05	106.0854	6.1300
14	Germany	6	01/05/06	100.7783	5.9500
16	Germany	8	07/22/02	113.2800	7.0600
20	Treuhand	7½	09/09/04	111.1100	6.7500
21	Germany	5¼	02/21/01	102.3083	5.1300
22	Germany	6¼	01/04/24	94.0271	6.6500
24	Treuhand	6⅝	07/01/99	105.2400	6.0600
25	Germany	5¼	11/21/00	102.6551	4.9900
26	Treuhand	7⅝	12/02/02	110.4267	6.6800
29	Germany	9	10/20/00	114.4720	7.8600
31	Germany	5⅞	05/15/00	104.5400	5.6200
32	Germany	8½	02/20/01	113.4533	7.4900
33	Germany	3½	12/18/98	99.7595	3.5100
35	BGB Fin Ireland	zero	09/03/01	2208.1680	50.0000
37	Treuhand	6¼	07/29/99	105.1600	5.9400
39	Treuhand	6⅝	07/09/03	106.5600	6.2200
40	Germany	8¾	08/20/01	115.3000	7.5900
41	Germany	8⅞	12/20/00	114.4300	7.7600
42	Treuhand	5¾	04/29/99	103.8300	5.5400
43	Germany	7	12/22/97	102.6400	6.8200
45	Germany	5¾	08/22/00	104.6656	5.4900
46	Germany	5⅝	02/22/99	102.9600	5.2200
47	Treuhand	6¾	05/13/04	108.3400	6.2300
48	Germany	7½	11/11/04	112.5698	6.6600
50	Germany	6½	07/15/03	105.9400	6.1400
53	Germany	3½	09/18/98	99.8400	3.5100
55	Treuhand	6½	04/23/03	106.0200	6.1300
56	Treuhand	7¾	10/01/02	112.1843	6.9100
57	Germany	8¼	07/21/97	101.5600	8.1200
59	Treuhand	7⅛	01/29/03	109.4946	6.5100
60	Germany	5¼	11/20/97	101.2000	5.1900
61	Germany	8¾	05/21/01	113.5300	7.3800
62	Germany	3¾	03/19/99	99.0735	3.7900
63	Germany	7	01/13/00	107.8611	6.4900
69	Germany	7⅛	12/20/02	109.3250	6.5200
70	Germany	9	01/22/01	115.0300	7.8200
71	Treuhand	6⅛	03/26/98	102.6400	5.9700
72	Germany	6⅛	05/20/99	104.6500	5.8500
73	Germany	6¾	09/15/99	106.4900	6.3400
74	Treuhand	6¼	03/04/04	104.1667	6.0000
75	Germany	6¾	07/15/04	107.9259	6.2500
77	Germany	6½	03/15/00	106.2300	6.1200
78	Treuhand	6	11/12/03	103.1557	5.8200
79	Germany	6¾	04/22/03	107.3900	6.2900
80	Germany	6⅞	02/24/99	105.6200	6.5100
81	Germany	6⅞	12/02/98	105.0900	6.5400
82	Treuhand	6⅞	06/11/03	107.8500	6.3700
83	Germany	6	09/15/03	103.6360	5.7900
88	Germany	7¼	10/21/02	109.8960	6.6000
89	Germany	8	09/22/97	102.2425	7.8200
90	Germany	8½	08/21/00	112.5800	7.5500
92	Treuhand	5⅝	09/24/98	102.8500	5.4700
96	Germany	8	03/20/97	100.0022	8.0000
99	Germany	7¾	02/21/00	109.5300	7.0800
100	Germany	6	06/20/16	94.1029	6.3800
101	Treuhand	6⅛	06/25/98	103.1150	5.9400
102	Germany	6	02/20/98	102.2500	5.8700
107	Germany	5¼	02/25/98	101.6300	5.1700
108	Treuhand	5	01/14/99	102.1800	4.8900
110	Germany	8¾	07/20/00	113.1800	7.7300
111	Argentina	7	03/18/04	99.1000	7.0600
121	Germany	5¾	05/28/99	103.8600	5.5400
125	Germany	7¼	01/20/00	108.1300	6.7000
126	Germany	5¾	08/20/98	102.9200	5.5900
128	Germany	zero	07/18/97	99.0174	3.0200
130	Treuhand	5	12/17/98	102.0700	4.9000
143	Treuhand	7	11/25/99	107.3200	6.5200
144	Germany	zero	04/18/97	99.7835	2.7700
150	Germany	7	04/20/99	106.2800	6.5900
153	Germany	6½	01/02/99	104.5650	6.2200
168	Germany	6⅜	01/20/98	102.3700	6.2300
170	BA Credit Card	6	11/15/05	101.1788	5.9300
173	Germany	6¾	06/21/99	106.0300	6.3700
175	Germany	6⅝	08/14/98	103.6900	6.1500
177	Germany	5¾	08/20/97	100.9500	5.7000
208	Germany	8¾	05/22/00	112.8450	7.7500
210	Siemens	5½	03/12/07	96.9395	5.6700
219	Germany	6¾	05/20/98	103.2400	6.1700
221	Credit Local	5½	10/18/00	101.8507	5.4000
237	Germany	3.031	09/30/04	99.1775	3.0600
241	EIB	6	10/22/03	103.2000	5.8100
242	Germany	6⅝	05/20/97	100.4588	6.3500
245	DSL Fin	5¾	03/19/09	95.3000	6.0300
248	Batavia II	5⅞	03/16/09	97.6537	6.0200
Dutch Guilder					
23	Netherlands	6¼	07/15/98	103.2500	6.0500
38	Netherlands	6	01/15/06	101.7000	5.9000
49	Netherlands	5¾	02/15/07	99.4500	5.7800
76	Netherlands	8½	03/15/01	113.6000	7.4800
86	Netherlands	9	01/15/01	114.9500	7.8300
93	Netherlands	8½	06/01/06	119.0500	7.1400
95	Netherlands	7	03/15/99	105.7000	6.6200
98	Netherlands	6¾	02/15/99	105.1000	6.4200
103	Netherlands	5¾	01/15/04	101.7500	5.6500
104	Netherlands	7½	04/15/10	113.0500	6.6300
109	Netherlands	7½	01/15/23	112.1000	6.6900
120	Netherlands	7	06/15/05	108.6000	6.4500
123	Netherlands	5¾	09/15/02	103.1000	5.5800
127	Netherlands	8¼	02/15/02	114.20	7.2200
129	Netherlands	8¾	09/15/01	115.5500	7.5700
131	Netherlands	7½	06/15/99	107.3000	6.9900
142	Netherlands	8¼	02/15/00	110.6000	7.4600
160	Netherlands	9	07/01/00	113.6500	7.9200
162	Netherlands	8¼	06/15/02	114.6500	7.2000
169	Netherlands	9	05/15/00	113.40	7.9400
176	Netherlands	7¾	01/15/00	109.1000	7.1000
178	Netherlands	6½	07/15/98	103.5500	6.2800
184	Netherlands	6½	04/15/03	106.3000	6.1100
188	Netherlands	6¾	10/01/98	104.2500	6.4700
191	Netherlands	7¾	03/01/05	113.40	6.8300
201	Netherlands	7½	11/15/99	108.2000	6.9300
220	Netherlands	6¾	11/15/05	106.8000	6.3200
224	Netherlands	7¼	10/01/04	110.3000	6.5700
235	Netherlands	8¼	09/15/07	118.1500	6.9800
239	Netherlands	7	02/15/03	108.9000	6.4300
243	Netherlands	8¼	02/15/07	117.8000	7.0000
249	Netherlands	zero	05/30/97	99.3878	3.0800
ECU					
112	France OAT	7½	04/25/05	108.1000	6.9400
115	France OAT	6	04/25/04	99.8000	6.0100
122	France OAT	7	04/25/06	104.3000	6.7100
139	France OAT	8½	03/15/02	111.9200	7.5900
181	France B.T.A.N.	6	03/16/01	102.8000	5.8400
183	France OAT	5½	04/25/07	93.2502	5.9000
185	France OAT	9½	04/25/00	112.6500	8.4300
193	Britain	9⅛	02/21/01	116.1500	7.8600
213	UK	zero	06/12/97	99.0343	4.1600
216	UK T-note	5	01/26/99	100.5000	4.9800
217	France OAT	8¼	04/25/22	115 9/16	7.1200
226	Britain	4	01/28/00	97.5000	4.1000
Finnish Markka					
222	Finland	7¼	04/18/06	107.5575	6.7400
French Franc					
159	France OAT	7¾	10/25/05	113.5900	6.8200
166	France B.T.A.N.	7¼	08/12/97	101.4700	7.1400
187	France OAT	7¼	04/25/06	110.6000	6.5600
196	France B.T.A.N.	5¾	03/12/98	102.0900	5.6300
199	France OAT	8¼	02/27/04	116.1100	7.1100
206	France OAT	6½	10/25/06	105.0100	6.1900
Italian Lira					
161	Italy	9½	02/01/01	106.5400	8.9200
233	Italy	9½	04/15/99	103.9500	9.1400
Japanese Yen					
179	World Bank	4¾	12/20/04	118.0000	4.0300
197	Walt Disney	5	06/21/99	100.3091	4.9800
198	CCCI	3	03/18/09	100.2687	2.9900
203	J-back		03/18/00	100.0000	-
244	Pac Invest Cap	zero	04/19/99	98.4574	0.7400
Portuguese Escudo					
163	Portugal		10/01/97	101.0000	-
Spanish Peseta					
194	Spain	6¾	04/15/00	101.4550	6.6500
229	Spain	8.40	04/30/01	107.2500	7.8300
Swedish Krona					
65	Sweden	11	01/21/99	110.0950	9.9900
156	Sweden	10¼	05/05/00	112.8290	9.0800
200	Sweden	13	06/15/01	125.0820	10.3900
212	Sweden	6½	10/25/06	94.0832	6.9100
227	Sweden	8	08/15/07	104.3240	7.6700
U.S. Dollar					
5	Brazil Cap S.L.	4½	04/15/14	80.8250	5.5700
17	Argentina FRN	6⅝	03/29/05	87.9550	7.5300
18	Argentina L	5¼	03/31/23	64.5804	8.1300
19	Venezuela	6½	12/18/07	87.0000	7.4700
30	Argentina	11⅜	01/30/17	103.0886	11.0300
34	Mexico	11½	05/15/26	105.9020	10.8600
58	Brazil S.L	6 9/16	04/15/12	79.6250	8.2400
64	Brazil	6½	01/01/01	97.8125	6.6500
66	Venezuela A	6¾	03/31/20	72.8125	9.2700
67	Brazil L	6½	04/15/06	89.3750	7.2700
68	Bulgaria	6 9/16	07/28/11	61.5176	10.6700
84	Abbey Natl TS	6⅜	03/18/02	97.8750	6.5100
87	Brazil	6½	04/15/24	81.0313	8.0200
91	Mexico par B	6¼	12/31/19	72.6563	8.6000
97	Brazil par ZI	5	04/15/24	63.0313	7.9300
105	Mexico par A	6¼	12/31/19	72.5000	8.6200
106	Mexico	9⅞	01/15/07	104.3955	9.4600
114	Italy	6⅞	09/27/23	91.8439	7.4900
116	Ecuador	zero	02/28/15	61.1611	zero
117	CADES	6½	03/11/02	99.1192	6.5600
118	Credit Local	6½	02/18/04	97.2500	6.6800
119	Argentina	5⅜	04/01/01	126.0000	4.2700
124	Brazil S.L	6 9/16	04/15/09	85.8125	7.6500
132	IADB	6⅜	03/07/07	97.7761	6.7800
133	EIB	7⅛	09/18/06	101.7055	7.0100
134	Brazil	8⅞	11/05/01	100.6694	8.8200
135	Argentina	11	10/09/06	104.6250	10.5100
136	Panama pdi	4	07/17/16	83.5000	4.7900
137	Bco Com Ext.	7¼	02/02/04	92.2134	7.8600
138	Poland	6½	10/27/24	97.9375	6.6400
140	Brazil	4½	04/15/14	85.2701	5.2800
141	Venezuela B	6¾	03/31/20	72.6250	9.2900
145	Ecuador par	3½	02/28/25	42.8750	7.5800
147	Mexico	7⅝	08/06/01	101.2100	7.5300
148	Bulgaria	6 9/16	07/28/24	62.8750	10.4400
149	Mexico D	6.352	12/28/19	88.7006	7.1600
152	Argentina L	6⅝	03/31/23	81.5313	7.8200
154	Mexico	11⅜	09/15/16	104.7500	10.8600
155	Venezuela S.A	6⅝	03/18/07	87.5100	7.5700
157	Mexico	9¾	02/06/01	104.1250	9.3600
158	Peru	3¼	03/07/17	54.4375	5.9700
164	Peru	4	03/07/17	60.6250	6.6000
167	Russia	9¼	11/27/01	98.4684	9.3900
171	Mexico A	6.453	12/31/19	88.5313	7.2900
180	Venezuela	6 9/16	03/31/07	88.1165	7.3100
182	British Gas Intl	zero	11/04/21	15.0717	7.9800
186	Argentina	5⅛	09/01/02	110.6000	4.8600
189	Ferrovie Stato	9⅛	07/06/09	115	7.9300
192	Comerica Bank	5.57	03/03/02	99.6134	5.5900
195	World Bank	6⅜	08/21/06	97.7786	6.7800
202	CADES	5⅛	12/10/01	99.6300	5.3900
204	Canada	6¾	08/28/06	98.2500	6.8700
205	World Bank	6⅜	07/21/05	96.7540	6.5900
207	Poland	4	10/27/14	82.9688	4.8200
214	Brazil	6	09/15/13	73.3767	8.1800
215	Ecuador	6 9/16	02/28/25	66.3750	9.7000
218	Philippines Fix	8¾	10/07/16	97.8891	8.9400
223	Mexico B	6⅝	12/31/19	88.6250	7.1900
225	MBL Intl Fin	3	11/30/02	103.1250	2.9100
228	World Bank	7⅝	01/19/23	103.6250	7.3600
231	Sweden	5.387	02/08/01	99.9500	5.3900
232	KFW Intl Fin	6½	03/06/07	95.9117	6.7800
236	Whirl Intl Fin	7⅝	03/13/07	98.2775	7.7600
238	DSL	6½	02/13/02	98.9232	6.5700
240	Panama	3½	07/17/14	73.3750	4.7700
247	Ford Motor	6½	02/28/02	97.8750	6.6400
250	Spintab	5.477	02/20/98	99.9300	5.4800

For World Bonds, an Uncertain Time

By Carl Gewirtz

International Herald Tribune

PARIS — World bond markets are headed into a twilight zone, hampered by an inability to see clearly and a loss of liquidity.

The drying up of liquidity — mainly because of the confluence of the Easter holidays, the end of the Japanese fiscal year on March 31 and the end of the first quarter elsewhere — is the most transient of the problems.

But combined with the uncertainty about fundamental issues that is likely to linger, investors can be expected to remain defensive and averse to risk for an extended period.

The most immediate worry is the level of U.S. interest rates. A quarter-point rise in the cost of overnight money, to 5.50 percent from 5.25 percent, after the meeting Tuesday of Federal Reserve Board policymakers is now widely considered a foregone conclusion.

Beyond that, the consensus breaks down. Will it be a one-off increase? "Unlikely," said John Lipsky at Chase Manhattan Bank. "It would seem trivial to try to fine-tune monetary policy to such a degree," he said, adding that he expected the federal funds rate to be at least 5.75 percent by the end of the year.

Stephen Roach at Morgan Stanley & Co. said that "this is not a central bank that is about to squander years of hard-won credibility over a measly 25 basis points — the increase should be viewed as the first of many" en route to 6.50 percent by the end of the year.

His is an admittedly extreme view, but if correct, it exposes a rocky road for European bonds, which are not only influenced by developments in New York but also have their own problems, notably whether the planned monetary union proceeds and, if so, with which countries.

In Europe, uncertainties about monetary union are driving investors out of the higher-yielding peripheral bond markets — Italy, Spain, Sweden — which continued to sell off last week. Fears of a delay and signs of strong German growth buoyed the Deutsche mark, but yields on 10-year government bonds ended the week almost a quarter point higher at 5.92 percent.

The problem for investors is that they have no way of knowing what is likely to happen. U.S. economic data indicate a faster-than-expected rate of growth but with inflation still contained. Only subsequent data over the coming months will offer a clue as to how much further, if at all, the Fed needs to tighten.

One irony of the current situation is that investor confidence in the Fed's ability to contain inflation is so high that long-term interest rates have barely moved. The benchmark 30-year government bond currently yields 6.96 percent, compared with 6.72 percent at the start of the year.

Had the rise been sharper, the increase in the cost of money would have been causing a natural restraint on the upswing. But without that added drag, the Fed may be forced to push up more sharply the short-term rates it controls.

As rates in the bond futures market already incorporate an increase in the cost of borrowing dollars, no big reaction is expected after Tuesday's announcement. The market reaction will be "muted," said Avinash Persaud at J. P. Morgan & Co., "with attention focused on if and when the Fed moves next."

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Den Danske Bank	$300	2009	⅛	100.00	—	Interest will be ⅛ over 3-month Libor until 2004, when issue is callable at par, thereafter 1⅛ over. Reoffered at 99.788. Fees 0.712%. (Deutsche Morgan Grenfell.)
Household Affinity Credit Card Master Trust 1	$870	2004	0.10	100.00	—	Over 1-month Libor. Average life 5 years. Fees not disclosed. (CS First Boston.)
Industrial Credit and Investment Corp. of India	$100	2007	0.80	100.00	—	Interest will be 0.80 over 6-month Libor until 2002, when issue is callable at par, thereafter 2.00 over. Fees 0.60%. (Citibank Intl.)
Puma Finance	$560	2029	0.13	100.00	—	Over 3-month Libor. Callable at par in 2003. Also $105 million, paying 0.08 over Libor and $35 million, paying 0.27 over. Fees 0.20%. (J.P. Morgan Securities.)
Sino Commercial Properties Funding	$300	2003	0.85	99.79	—	Over 3-month Libor. Callable at par in 2000. Fees 0.25%. Denominations $100,000. (Morgan Stanley Intl.)
Nordbanken	DM300	1999	libor	100.01	—	Interest will be the 3-month Libor. Noncallable. Fees 0.10%. (ABN-AMRO Hoare Govett.)
Bayerische Hypotheken und Wechsel Bank	FF1,000	1999	pibor	100.00	—	Interest will be the 3-month Pibor in first year, thereafter a fixed 4%. Noncallable. Fees 0.15%. (Credit Commercial de France.)
Serail	FF2,638.5	2004	0.21	100.00	—	Over 3-month Pibor. Average life 4 years. Fees 0.15%. (Deutsche Morgan Grenfell.)
Centrobanca	ITL500,000	2005	⅛	100.09	—	Over 3-month Libor. Reoffered at 99.89. Noncallable. Fees 0.35%. (J.P. Morgan Securities.)
Presinvest	ITL300,000	2000	½	100.00	—	Over 6-month Libor. Reoffered at 99¾. Noncallable. Fees 0.52%. (IMI Bank.)
Sanwa Finance Aruba	Y19,500	perpt	0.70	100.00	—	Interest will be 0.70 over 6-month Libor until 2002, 1.40 over until 2007, thereafter 2 over. Private placement callable at par in 2002. Fees 0.30%. Denominations 100 million yen. (Sanwa Intl.)
Fixed-Coupons						
Bank of Nova Scotia	$200	1999	6⅜	100.91	99.75	Reoffered at 99.96. Noncallable. Fees 1⅛%. (Banque Paribas Capital Markets.)
Caisse Centrale Desjardins du Quebec	$250	2001	6¾	101.247	99.50	Reoffered at 99.872. Noncallable. Fees 1⅜%. (Merrill Lynch Intl.)
Daimler-Benz North America	$150	2000	6⅜	101.10	99.70	Reoffered at 99.95. Noncallable. Fees 1⅛%. (Commerzbank.)
DSL	$250	2000	6⅜	100.9775	99.50	Reoffered at 99.79. Noncallable. Fees 1⅛%. (CS First Boston.)
Export-Import Bank Korea	$650	2007	7.10	99.852	100.00	Semiannually. Redeemable at par in 2002. Fees 0.30%. (Lehman Brothers Intl.)
KFW Intl Finance	$150	2002	7	101.775	—	Reoffered at 100.15. Callable at par in 1999. Fees 1⅝%. (Morgan Stanley Intl.)
RBS Participacoes	$125	2007	11	100.00	—	Semiannually. Noncallable. Fees 1%. Denominations $10,000. (J.P. Morgan Securities.)
Sudwestdeutsche LB	$250	1999	6¼	100.947	99.55	Reoffered at 99.722. Noncallable. Fees 1⅛%. (ABN-AMRO Hoare Govett.)
European Investment Bank	DM1,000	2007	5⅝	99.325	97.95	Reoffered at 97.90. Noncallable. Issue will be redenominated in euros after EMU and will be fungible with outstanding issues. Fees 1⅝%. (ABN-AMRO Hoare Govett.)
Eastern Electricity	£200	2012	8¾	101.197	—	Reoffered at 99.322. Noncallable. Fees 2⅛%. (Barclays de Zoete Wedd.)
Frankfurter Hypothekenbank	FF2,000	2009	6	100.65	99.15	Reoffered at 99. Noncallable. Fees 2%. Issue may be redenominated in euros after EMU. Denominations 100,000 francs. (Deutsche Morgan Grenfell.)
Spain	FF4,000	2012	6¼	101.145	99.78	Reoffered at 99.52. Noncallable. Issue will be redenominated in euros after EMU. Fees 2%. (Caisse des Depots et Consignations.)
Deutsche Finance	ITL1,000,000	2032	zero	7.00	—	Yield 7.94%. Noncallable. Fungible with outstanding issue, raising total face amount to 4 trillion lire. Fees 0.25%. (Deutsche Morgan Grenfell.)
European Investment Bank	ITL250,000	2007	7	97.325	95.55	Noncallable. Fungible with outstanding issue, raising total amount to 1 trillion lire. Fees 1⅞%. (Banque Nationale de Paris.)
Bayerische Hypotheken und Wechsel Bank	DF100	2002	5⅜	102.46	100.85	Reoffered at 100.91. Noncallable. Fungible with outstanding issue, raising total amount to 300 million guilders. Fees 1⅞%. (ING Barings.)
Rabobank Nederland	DF500	2009	6	100.93	99.25	Reoffered at 99.33. Noncallable. Fees 2%. (Rabobank Intl.)
European Bank for Reconstruction and Development	SP28,500	2002	—	100.00	—	Issue split into 6 tranches paying 4.30 to 4.55%. Redemption amount at maturity will be linked to the performance of the AEX, DAX, FT-SE 100 and CAC-40 indexes. Noncallable. Fees not disclosed. (Caja de Madrid.)
Italy	Euro1,000	2004	6	99¼	99.35	Payments in Ecus until EMU. Noncallable. Fees 0.30%. (Banque Paribas Capital Markets.)
Bank Austria	SAR500	2007	zero	26.62	—	Yield 14.15%. Reoffered at 26.40. Noncallable. Proceeds 133 million rand. Fees 0.35%. (Westmerchant Bank.)
European Bank for Reconstruction and Development	PhP3,000	1998	9	100.85	—	Reoffered at par. Noncallable. Fees 1%. (ING Barings.)
Logic Ltd	Y10,000	2002	1.95	100.00	—	Noncallable private placement. Fees 0.30%. Denominations 100 million yen. (Bank of Tokyo-Mitsubishi.)
Equity-Linked						
First Pacific Capital	$350	2002	2	100.00	—	Semiannually. Redeemable at maturity at 134.129. Convertible at HK$12.25 per share and at HK$7.7477 per dollar. Fees not disclosed. (ING Barings.)
Kerry Properties Capital	$250	2007	2	100.00	—	Semiannually. Redeemable at 129.712 in 2002 to yield 7.06%. Convertible at HK$21.50 per share, a 18.10% premium, and at HK$7.7474 per dollar. Fees 2⅛%. (Merrill Lynch Intl.)

The Week Ahead: World Economic Calendar, March 24-28

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Jakarta:** PT Bank Mashill Utama holds shareholders' meeting to vote on changes to its board, approve a stock split and raise its capital limit. **Phuket, Thailand:** Petroleum Economics Ltd. sponsors International Petroleum Economics Seminar, Monday to Thursday.	**Frankfurt:** Import prices for February and preliminary cost-of-living index for March could be released. **Madrid:** Economy Ministry releases January trade deficit and current account figures.	**Arlington, Virginia:** Bankers Trust and the Aviation Week Group present an annual aerospace finance conference, Tuesday to Wednesday. **Miami:** World Research Group presents Securities Lending & Repos in Emerging Markets, Wednesday to Thursday.
Monday March 24	**Tokyo:** Japan Automobile Manufacturers Association expected to release data on February vehicle production; Economic Planning Agency may release January diffusion index; National Land Agency releases annual survey of property prices.	**London:** Office for National Statistics releases quarterly national accounts and balance of payments figures for the fourth quarter. **Prague:** The Czech Statistical Office publishes February foreign trade figures.	**Buenos Aires:** Indec releases industrial production figures for February and supermarket sales figures for January. **Washington:** U.S. Agriculture Department releases weekly report on planting progress for seven crops.
Tuesday March 25	**Tokyo:** February oil imports data; Japan Chainstore Association to release February sales data; Japan Department Store Association to release data on nationwide department store sales in February.	**London:** Office for National Statistics releases capital expenditure figures and revised stocks figures for fourth quarter. **Stockholm:** February trade balance figures.	**New York:** Conference Board issues consumer confidence survey; **Washington:** Federal Open Market Committee meeting on U.S. interest rate policy begins; National Association of Realtors releases home resales for February.
Wednesday March 26	**Bangkok:** Bangkok Bank PLC holds general shareholders' meeting to seek approval to issue up to $3 billion worth of bonds. **Wellington:** Overseas trade figures for February.	**Stockholm:** National Institute for Economic Research releases economic forecast. **Earnings expected:** ACCBANK, Ares-Serono SA, Arnotts PLC, Barco SA, Deutsche Bank AG, Fortis AG, VEBA AG and Nestle SA.	**Washington:** Commerce Department releases February durable goods report; Mortgage Bankers Association of America releases its weekly report on mortgage applications. **Earnings expected:** Corel Corp.
Thursday March 27	**Bangkok:** Bank of Thailand announces monthly trade, investment and money market figures. **Tokyo:** February vehicle exports figures. **Wellington:** Gross domestic product for October-December quarter.	**Helsinki:** Statistics Finland releases January gross domestic product figures and February unemployment figures. **Zurich:** Federal Statistics Office releases the consumer price index for March.	**Ann Arbor, Michigan:** The University of Michigan releases index of consumer sentiment for March. **Washington:** Labor Department reports initial weekly state unemployment compensation insurance claims.
Friday March 28	**Bangkok:** Bank of Thailand sells one-month Treasury bill **Kuala Lumpur:** Bank Negara releases annual report; Commerce Asset Holdings Bhd. holds shareholders' meeting to approve plan to raise $484.4 million in shares and bonds.	**Europe:** Good Friday holiday. Most European financial markets, banks and business are closed with the exceptions of Austria, Belgium, Czech Republic, Germany, Greece, Russia and Turkey.	**Washington:** Commerce Department reports final estimate of fourth-quarter economic growth and fourth quarter corporate profits; February new home sales; Federal Reserve System releases weekly report on commercial and industrial loans.

Last Week's Markets

Stock Indexes

United States	March 21	March 14	% Ch'ge
DJ Indus.	6,804.79	6,935.46	—1.88
DJ Util.	221.21	224.22	—1.34
DJ Trans.	2,424.89	2,435.37	—0.43
S & P 100	763.19	768.30	—0.67
S & P 500	784.10	793.31	—1.16
S & P Ind	915.37	926.37	—1.19
NYSE Cp	412.80	417.85	—1.21
Nasdaq Cp	1,254.10	1,293.20	—3.02
Japan			
Nikkei 225	18,633.16	17,923.64	+ 3.96
Britain			
FTSE 100	4,254.80	4,424.30	— 3.83
Canada			
TSE Indus.	6,070.10	6,183.60	—1.84
France			
CAC 40	2,587.13	2,645.62	— 2.21
Germany			
DAX	3,298.24	3,339.29	—1.82
Hong Kong			
Hang Seng	12,489.30	12,736.53	—1.94
World			
MSCIP	N.A.	833.00	—

World Index from Morgan Stanley Capital Int'l Perspective.

Money Rates

United States	March 21	March 14
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5¼	5⅛
Japan		
Discount	0.50	0.50
Call money	0.45	0.43
3-month interbank	0.69	0.59
Britain		
Bank base rate	6.00	6.00
Call money	6.00	5¾
3-month interbank	6 1/16	6 1/16
France		
Intervention rate	3.10	3.10
Call money	3 5/32	3 5/32
3-month interbank	3 5/16	3 5/16
Germany		
Lombard	4.50	4.50
Call money	3.12	3.13
3-month interbank	3.28	3.28

Gold	Mar. 21	Mar. 14	% Ch'ge
London p.m. fix.$	352.80	352.80	Unch.

Euromarts

Eurobond Yields

	Mar 21	Mar 14	Yr high	Yr low
U.S. $, long term	6.85	6.80	6.85	6.53
U.S. $, mdm term	6.54	6.46	6.55	6.10
U.S. $, short term	6.21	6.11	6.22	5.96
Pounds sterling	7.50	7.28	7.62	7.09
French francs	5.02	4.77	5.02	4.66
Italian lire	7.66	7.54	7.68	6.98
Danish kroner	5.74	5.52	5.75	5.38
Swedish kronor	5.57	5.13	5.57	4.82
ECUs, long term	6.17	6.01	6.19	5.76
ECUs, mdm term	5.31	5.20	5.36	4.92
Can. $	6.15	6.04	6.15	5.70
Aus. $	7.67	7.66	7.73	7.11
N.Z. $	8.04	7.91	8.09	7.19
Yen	1.64	1.69	1.94	1.64

Source: Luxembourg Stock exchange.

Weekly Sales

March 20

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Primary Market				
Straights	96.0	195.3	1,007.8	2,249.6
Convert.	—	—	—	47.6
FRNs	123.0	443.5	614.0	419.6
ECP	9,408.9	9,263.4	11,217.1	10,439.7
Total	9,627.9	9,902.2	12,838.9	13,156.5
Secondary Market				
Straights	24,811.8	20,754.8	84,612.7	31,950.4
Convert.	1,069.7	655.9	3,249.1	1,691.0
FRNs	17,029.3	4,152.3	50,138.3	7,514.0
ECP	13,552.1	13,226.4	20,929.9	29,538.6
Total	56,462.9	38,789.4	158,930.	70,694.0

Source: Euroclear, Cedel Bank.

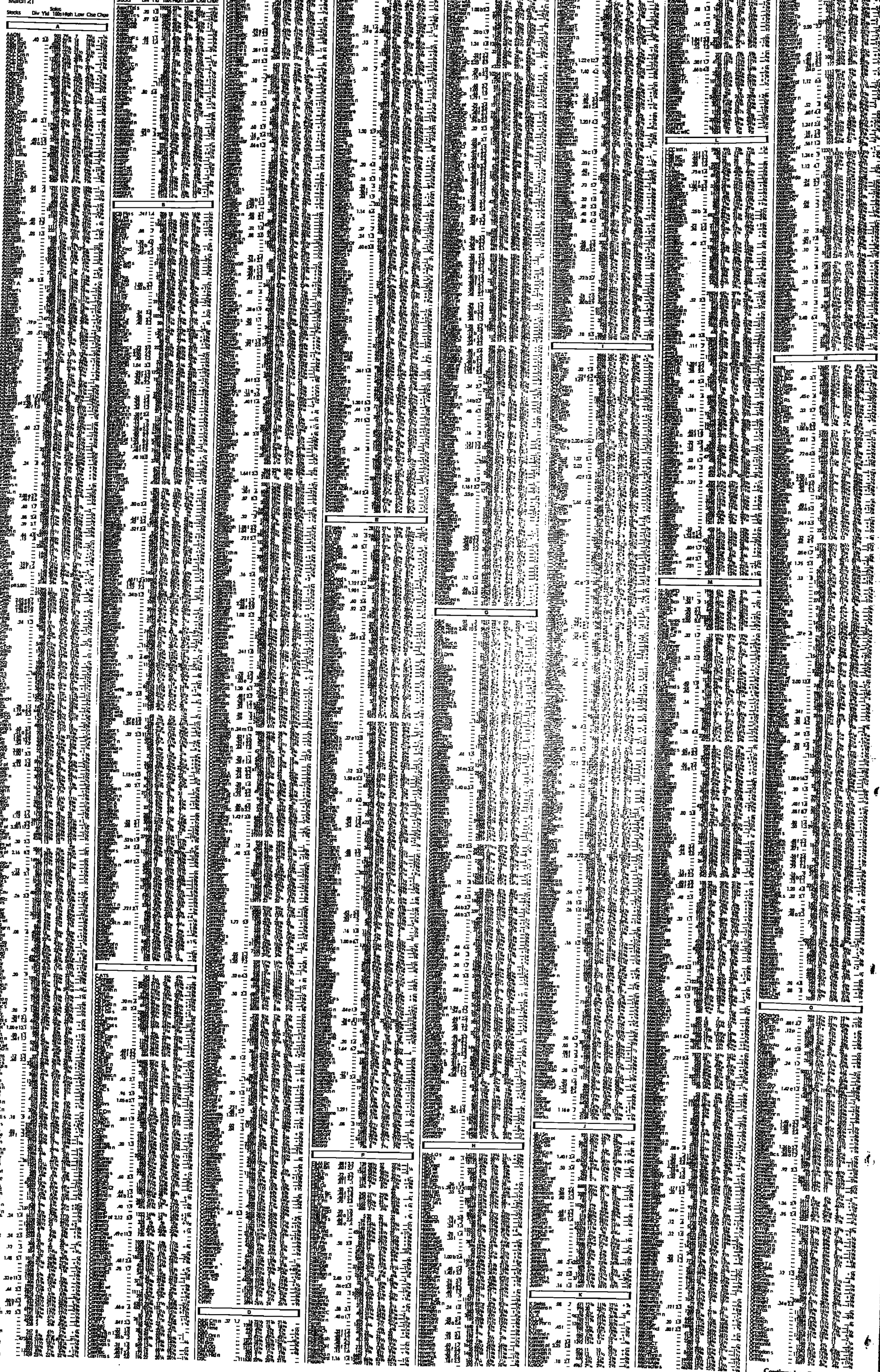
Libor Rates

	1-month	3-month	6-month		1-month	3-month	1-month
U.S. $	5 7/16	5¾	5 15/16	French franc	3⅛	3 5/16	3 7/16
Deutsche mark	3¼	3¼	3⅜	ECU	4¼	4½	4 5/16
Pound sterling	6⅛	6½	6½	Yen	⅝	⅝	11/16

Sources: Lloyds Bank, Reuters.

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, March 21



Continued on Page 17

One View on Euro Plan: 'Recipe for Turbulence'

By Carl Gewirtz
International Herald Tribune

PARIS — Central bankers, who never miss an opportunity to lecture about the need to master financial-risk management, have been advised to rethink their own plans for changing over to a single currency in Europe.

In a report published by the Centre for Economic Policy Research in London, a panel of academic experts labeled the planned strategy "a recipe for turbulence."

In particular, the panel cited the programmed delay between the announcement, expected in the spring of 1998, of which countries qualify for membership in monetary union and the setting of the exchange rates that will transform national currencies into euros, expected on Jan. 1, 1999, when union begins.

This gap of at least six months "creates new problems" for safely reaching the goal, according to the report entitled "The EMU End-Game," by four European academics — David Begg, Francesco Giavazzi, Juergen von Hagen and Charles Wyplosz.

The panel urged that when the members of the single currency are announced, probably in the spring of 1998, governments should also fix bilateral exchange rates and not bother to defend them until the union takes place on Jan. 1, on the theory that this procedure would be less subject to market speculation. This would leave only the conversion rate of these currencies to the euro to be set on Jan. 1.

The interim period between announcing membership and the fixing of conversion rates, the report stated, "could easily become a time of increased exchange-rate speculation, destabilizing the exchange rates of the countries selected to participate in EMU."

But a complicating factor for the procedure is the European Currency Unit, an artificial basket of 12 EU currencies and the precursor of the euro.

Governments have promised that Ecu bank accounts worth $177 billion and bonds worth about $64 billion will be converted to euros on a one-for-one basis and that the conversion will be neutral — neither a gain nor a loss for investors.

The problem that arises is that the Ecu comprises 12 European currencies, of which three — the British pound, the Danish krone and the Greek drachma — currently float against the other nine. This means the conversion of the Ecu to the euro can only be set on the basis of market rates prevailing on Dec. 31, 1998. Therefore, the conversion rate of the national currencies to the euro can only be set Dec. 31.

The panel also warned that the interim period could open a window of opportunity for the governments in the currency union to hold "an engagement party" and play "end-games of frivolous monetary and fiscal policies that would further destabilize exchange rates.

"Obviously, a series of exchange-rate crises and wild gyrations of rates that supposedly would be irrevocably fixed at the end of the year would feed doubts and fears about the viability of the monetary union," it said.

"Injudicious management of the interim period creates enormous risks for a successful completion of EMU," the report added.

It also called on the "in" governments to "commit in advance to use current bilateral central parities of the European Monetary System as the irrevocably fixed exchange rates of the national currencies at the start of EMU." The report said that all currencies were within 4 percent of their central rates.

Noting that "speculative attacks on fixed exchange rates occur when investors can place one-sided bets against the parities defended by the central banks," the study urged that the central banks rule out such possibilities by not committing to defend exchange-rate bands during the interim period.

Observing that "good generals understand that temporary retreat is not always an unsound tactic," the authors said: "It is central to our argument that the later the intervention, the more credible it is that it will be carried out and hence the larger its deterrent effect."

Vietnam's Troubled Banks

Economists Warn of Looming Bad-Loan Crisis

Reuters

HO CHI MINH CITY — Top bankers and economists are warning that Vietnam's banking system faces a major bad-loan problem following a spate of failed property speculation by domestic firms.

In a series of interviews over the past week, banking executives and others painted a picture of an industry that owed millions of dollars as a result of bad debts, and that was saddled with near-worthless collateral.

They said a handful of companies had used influence and connections to secure huge multiple loans from both joint-stock and state-owned commercial banks to finance real estate deals during the early 1990s, mostly through letters of credit.

A property market downturn since 1995 has left these companies and individual lenders unable to repay the banks. The banks, in turn, were having to delay repayments on letters of credit because collateral on the loans was taken in the form of real estate, which is losing value and is tangled in the red tape of Vietnam's archaic land-ownership laws.

"We should blame the property speculators," said an industry source who requested anonymity. "They tried to create monopolies in the real estate sector. They're the ones who should be paying the price now that it's gone wrong."

Official figures were not available, but some bankers spoke of debt levels of around $1 billion. An estimate by a senior banking executive put total overdue payments at around $500 million.

"It's a serious problem," said Tran Trong Do, banking operations director at the central State Bank of Vietnam. "Due to our poor experience in supervision, big problems have been caused for the national banking system."

Economists and academics said that trouble has loomed in communist Vietnam's budding banking system for some time due to a number of shortcomings, including lax management and corruption.

An indication of the problems arose in February when the Joint-Stock Commercial Bank for Private Enterprises came under scrutiny for extending the payment period under a letter of credit to South Korea's Ssangyong Corp.

But economists said the problems at private banks such as the Bank for Private Enterprise paled in comparison to the level of debt at state-owned commercial banks.

The Tai Chinh and Thi Truong newspaper warned in early March that the problem had reached the point where state intervention was needed "immediately to save a chain reaction collapse of the whole banking system."

But an international economist in Hanoi played down the problem, saying the fundamentals of Vietnam's banking system remained reasonably healthy.

"I think it's too early at this stage to talk about it as a crisis," he said.

■ Toyota Pleads for License

Toyota Vietnam said its local assembly plant in Hanoi may have to cease operation next month unless it receives an import license from the Ministry of Trade, Agence France-Presse reported from Hanoi, citing a local press report.

"It's all the same to a government official if he decides on a request today or tomorrow, but for a company, it means money, gains and losses," Nguyen Thanh Giang, deputy director of Toyota Vietnam, told the Vietnam Investment Review.

Toyota reportedly sent its first request for a license in February, the paper said. However, the request came just days before a three-day visit to Vietnam by a high-level delegation of Japanese businessmen of the Keidanren group, part of a delegation led by Japan's deputy foreign minister, Ogura Kazuo.

Toyota started assembling cars last October in Vinh Phu province about 35 kilometers (22 miles) from Hanoi.

Delco Reaches Deal With UAW, Maintaining Flow of Parts to GM

Compiled by Our Staff From Dispatches

ANDERSON, Indiana — The United Auto Workers and Delco Remy America Inc. have reached a tentative agreement on a new contract covering around 1,500 employees at two plants, averting a strike that could have deprived General Motors Corp. of a flow of key components for nearly all of its North American-built vehicles.

Union leaders and company officials would not disclose terms of the tentative contract, which covers about 1,500 workers in Anderson, Indiana and Meridian, Mississippi.

But the UAW's president, Stephen Yokich, and other leaders released a statement indicating the bargaining had gone well. The UAW was demanding that Delco Remy match the pattern agreed to by the Big Three automakers last November, and hire about 440 temporary workers on a permanent basis.

Management had contended that Delco Remy's pay under the current agreement was higher than its competitors and that to adopt the new GM contract would make it difficult for the company to remain competitive.

"UAW-represented workers at Delco Remy America should be pleased with this fine, new agreement," the UAW said.

The pact was reached early Saturday, four hours after a midnight Friday strike deadline expired. A strike would have disrupted the flow of starter motors for cars and light trucks to GM, Delco Remy's largest customer.

Ratification meetings are set for next week, the union said.

The contract is the first time Delco Remy has negotiated with the UAW since it was sold by GM to a management group led by Harold Sperlich, a former Chrysler Corp. executive, in 1994. The company had agreed to abide by the terms of the 1993-96 agreement until a new pact was reached.

Three other GM spin-offs have already agreed to terms that either match or come close to the Big Three contract. Two did so only after they were threatened with strikes.

Last month, American Axle & Manufacturing Inc. reached a new contract minutes before a strike deadline set by the UAW. In those talks, American Axle agreed to follow the Big Three pattern, which calls for lump-sum payments of $2,000 in the first year and 3 percent raises in the second and third years. The contracts also include a guarantee to maintain employment at 95 percent of the current work-force level over the life of the agreement and generous improvements in pension benefits. *(AP, Reuters)*

SUEZ: *French Companies Said to Plan a Merger*

Continued from Page 11

century to manage the Suez Canal, indirectly controls another utility, Tractebel SA of Belgium, through Societe Generale de Belgique SA, its 63 percent-owned unit. Analysts said Suez might seek to place Tractebel under the control of Lyonnaise, should the merger proceed.

That would be fiercely resisted by the Belgian government. Prime Minister Jean-Luc Dehaene said this month that he was against any attempt to place Tractebel under the control of a French company. Tractebel controls Belgium's water, electricity and gas distribution.

The decision by Renault SA, France's second-biggest carmaker, to close its Belgian plant at Vilvoorde has aroused antagonism among Belgian lawmakers and labor unions about French corporate dominance of Belgian companies.

The Paris daily Le Figaro, noting that Suez's market capitalization was 45 billion francs, said Generale des Eaux was unlikely to launch a hostile takeover bid because it has 48 billion francs of debt and 30 billion of equity. It said Generale des Eaux was more likely to attempt to strike a deal through a share exchange or to block a Lyonnaise-Suez merger by lining up Suez shareholders to oppose it.

Albert Frere, a Belgian businessman, owns 8 percent of Suez through Electrafina, a holding company. The insurer AXA-UAP has close to 8 percent, Credit Agricole has 7 percent, and Banque Nationale de Paris has 5.5 percent.

It is not known what parties Mr. Frere would back in the fight over Suez. *(Bloomberg, Reuters)*

ISLE: *Remote Location Spawns Telecommuting*

Continued from Page 11

Mr. Morrison's slogan, emblazoned on the service's publicity material and its Web site, is "live local, work global."

Mr. Morrison has a challenge: to entice companies across the world to consider outsourcing work to his string of Scottish islands. He stresses not the beauty and romance of the landscape, but the hard-edged business opportunity.

"I never go to a client and say 'I've got a whole bunch of teleworkers in the Western Isles,'" he says. "I'm here to provide a quality service. I've been a sales and marketing director of a company for many years and I know I've got a product here I can market."

He speaks optimistically of the opportunities to regenerate the islands' economy, helped by current moves to upgrade to a fully digital local telecoms network. "We will create many more jobs, hundreds I think," he predicts.

Mrs. Macaulay left a good management accountant's job on the mainland to start a family and move with her husband back to his home island. Like many on the islands, she is overqualified for much of the work available but says she is happy to live where she does for the better quality of life.

"We made a choice that we would bring up our kids in the islands," she says. She is self-employed and paid on a by-the-job basis, typically earning about $12 an hour. Her personal computer is in her living room and, before her two children return home from school, she gathers up the stack of newspapers and logs in to her E-mail service to send off the completed abstracts.

But Mrs. Macaulay and her fellow islanders know that they cannot take their work for granted. Much of Information Access Co.'s abstracting work for its databases already takes place in the Philippines. In a world where technology allows people to live local but work global, the competition is worldwide, and wage rates elsewhere may be a lot lower than those paid in a developed country like Scotland.

But Donnie Morrison is undaunted. His task, he says, is to ignore the low-paid and low-status work and seek the better paid, more complex contracts. "We go for the really difficult jobs," he says.

For islands where earning a living has always been a struggle, it seems an appropriate philosophy.

Internet address: CyberScape@iht.com.

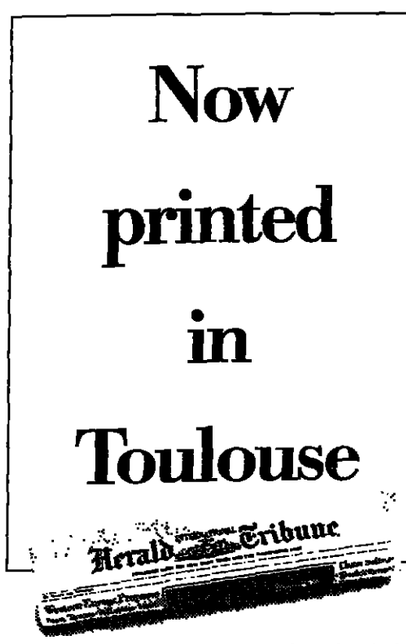
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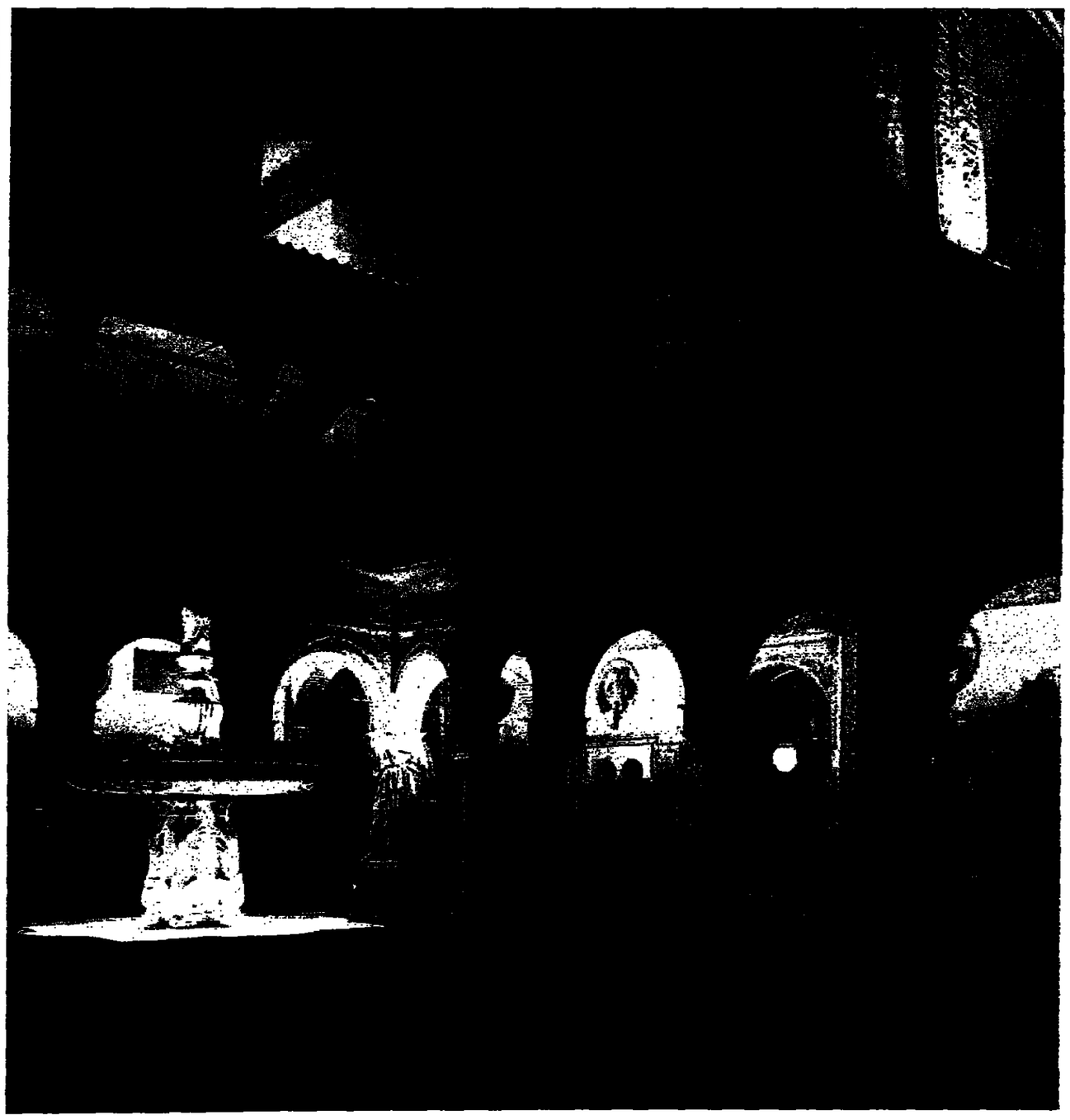
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THE WORLD'S DAILY NEWSPAPER



SPAIN BREAK

A STOPOVER IN SEVILLE CAN SATISFY A PASSION FOR THE MOST PALATIAL OF LIFE'S TREASURES

The capital of Andalusia is arguably the most beautiful city in Spain. Its hidden delights and unique character are joys shared by its people and its visitors.

ESPAÑA

U.S. Financial Stocks Brace for Rate Increase

By Carole Gould
New York Times Service

NEW YORK — Concerns about rising interest rates and increasing credit losses are posing a double whammy for some financial stocks.

In the financial group, credit card issuers have suffered the most in recent days on news that more consumers are

INVESTING

failing to pay their bills. The Advanta Corp. dropped a bombshell last week when it said it would post a loss in the first quarter because of its credit card operations.

Also last week, the First Chicago NBD Corp. told stock analysts that the profitability of its credit card business was declining. Even the shares of a longtime favorite, Banc One, have fallen more than 10 percent over the last 10 days.

Will the latest news prove merely a blip on the screen? Or are financial stocks, which have been market leaders for several years, past their peak? The answer depends in large part on where interest rates and the economy are headed.

For investors in mutual funds, including diversified stock funds, the impact could be startling. Financial specialty funds have topped the charts in recent years.

The top performer in the group, Fidelity Select Regional Banks, had an annualized return of 28.53 percent for the three years ended on Thursday and 39.32 percent for the 12 months, according to Morningstar Inc., the fund trackers.

In addition, many general stock funds that have beaten the Standard & Poor's 500-stock index have done so because of their heavy holdings in financial stocks.

The Muhlenkamp fund, for example, has risen 5.37 percent this year and 18.69 percent a year, on average, during the last three years, with more than half its assets in financial stocks.

Though the financial group has been strong for some time, its performance has been linked to certain cycles over the long haul.

Financials encompass a wide range of industries — from brokerage firms to banks, insurers to leasing companies — but most are highly sensitive to interest rates.

Typically, when rates rise, the companies' costs also rise, causing earnings to suffer and share prices to fall. That is what happened in 1994, the last time the Federal Reserve raised interest rates.

But the link between rates and share prices was broken in 1997.

While the Fed resisted raising its key rates, inflation fears pushed up the rate on the bellwether 30-year Treasury bond to 7.25 percent from 6 percent. But stocks in the financial sector nevertheless rose — to the surprise of many longtime market watchers.

Since last summer, share prices of many financial stocks have risen 30 percent to 40 percent. Now prices have become bloated, the concern goes, setting the stage for a possible correction in the sector.

Credit losses, like those at Advanta, could be particularly difficult for financials.

Perhaps more important, a sharp increase in rates now would take a big swipe at these stocks.

And the Federal Reserve Board, at its scheduled open market meeting on Tuesday, might raise rates.

Although various measures of inflation do not show a problem yet, many economists remain worried that rapid growth will cause inflation to spike upward and are urging the Fed to slow down the economy before it becomes overheated.

Ronald Muhlenkamp, manager of the fund bearing his name, expects an overall stock market correction of at least 10 percent this year to deflate the swollen share prices of financial stocks. But he is not planning to sell any of his issues ahead of the price break.

"We monitor earnings versus earnings expectations, and financial stocks have been leading the group for several years," Mr. Muhlenkamp said. "As long as earnings continue to exceed expectations and prices are fair — which we think they are — we're happy to hold the financial companies that we own."

But he expects the Federal Reserve to raise short-term rates only a quarter of a percent, if at all, because the latest figures for the Consumer Price Index and the Producer Price Index show no signs of runaway growth. "If Greenspan raises rates one-half percent, I'd take a fresh look," Mr. Muhlenkamp added.

Notwithstanding interest rate worries, the financial companies are much stronger than they were several years ago, he said.

Taking It to the Bank Funds that specialize in financial services have been among the top performers over the last few years. But they have suffered in recent weeks, mostly because of interest-rate concerns. Here are the top 5 so far this year and their total returns through last Thursday.

	1997 to date	1 year	3 year*	4 week
Fidelity Select Regional Banks	10.48%	39.32%	28.53%	−2.74%
John Hancock Regional Bank B	8.81	35.63	25.95	−1.77
Fidelity Select Home Finance	8.63	40.08	31.14	−4.52
Century Shares	8.16	26.34	18.90	−6.27
Invesco Strategic Financial Services	7.88	29.60	23.34	−4.39

*Annualized. Source: Morningstar Inc. NYT

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Herald Tribune

SHORT COVER

BAT Denies Seeking Legal Fund

LONDON (Bloomberg) — BAT Industries PLC denied Sunday a press report that it was seeking to establish a $3 billion fund with other tobacco manufacturers, both to combat and pay settlements for legal claims.

The Sunday Telegraph said that BAT's U.S. unit, Brown & Williamson was trying to create the fund and was "thought to have contacted" Philip Morris Cos., R.J. Reynolds and Lorillard to seek their participation.

Ralph Edmondson, a BAT spokesman, said the company was not involved in establishing such a fund, and could not say if any other tobacco manufacturers were. "There is no basis for this story," he said. "They have been misled by someone."

Netscape and Novell in Venture

WASHINGTON (WP) — Netscape Communications Corp. and Novell Inc. have agreed to form a joint company to coordinate efforts in developing software that runs business computer networks.

The venture, to be called Novonyx, would make a special version of Netscape's popular "enterprise server" software — which serves up information on the Internet and internal corporate networks. The product would run on Novell's network operating software.

The companies hope the new server will help them retain customers that might otherwise switch to Microsoft Corp. products.

Thyssen-Krupp Talks Continue

ESSEN, Germany (Bloomberg) — Talks between Thyssen AG and Fried. Krupp AG Hoesch-Krupp continued Sunday at a secret location amid conflicting accounts of progress toward agreement on the merger of their steel units.

"The negotiations continue," said a Thyssen spokesman Rainer Hochscheid. "While they are under way, the two sides have agreed to give no more details."

Krupp last week suspended a hostile 13.6 billion Deutsche mark ($8 billion) bid for all of Thyssen. "If there is no agreement by Thursday, Krupp's original bid remains valid," said a Krupp spokesman, Klaus Pepperhoff.

Nissan to Drop Ford Contract

TOKYO (AFP) — Nissan Motor Co. will end an arrangement with Ford Motor Co. under which Nissan supplied Ford with sport-utility vehicles manufactured by its Spanish subsidiary, the Nihon Keizai Shimbun reported Sunday.

The contract, under which Nissan provides four-wheel drive vehicles that Ford sells in Europe under the Maverick brand name, will not be renewed in 1998, the daily said.

Broken Hill Shuts Papua Steel Plant

SYDNEY (Bloomberg) — Broken Hill Proprietary Co. said Sunday it had closed its steel processing center in the capital of Papua New Guinea and evacuated 10 to 15 employees and their families amid rising unrest in the country.

"Our operations at the moment are shut down in Port Moresby," John Prescott, the company's managing director, told the Nine Network's "Business Sunday" program.

Porsche Considers U.S. Plant

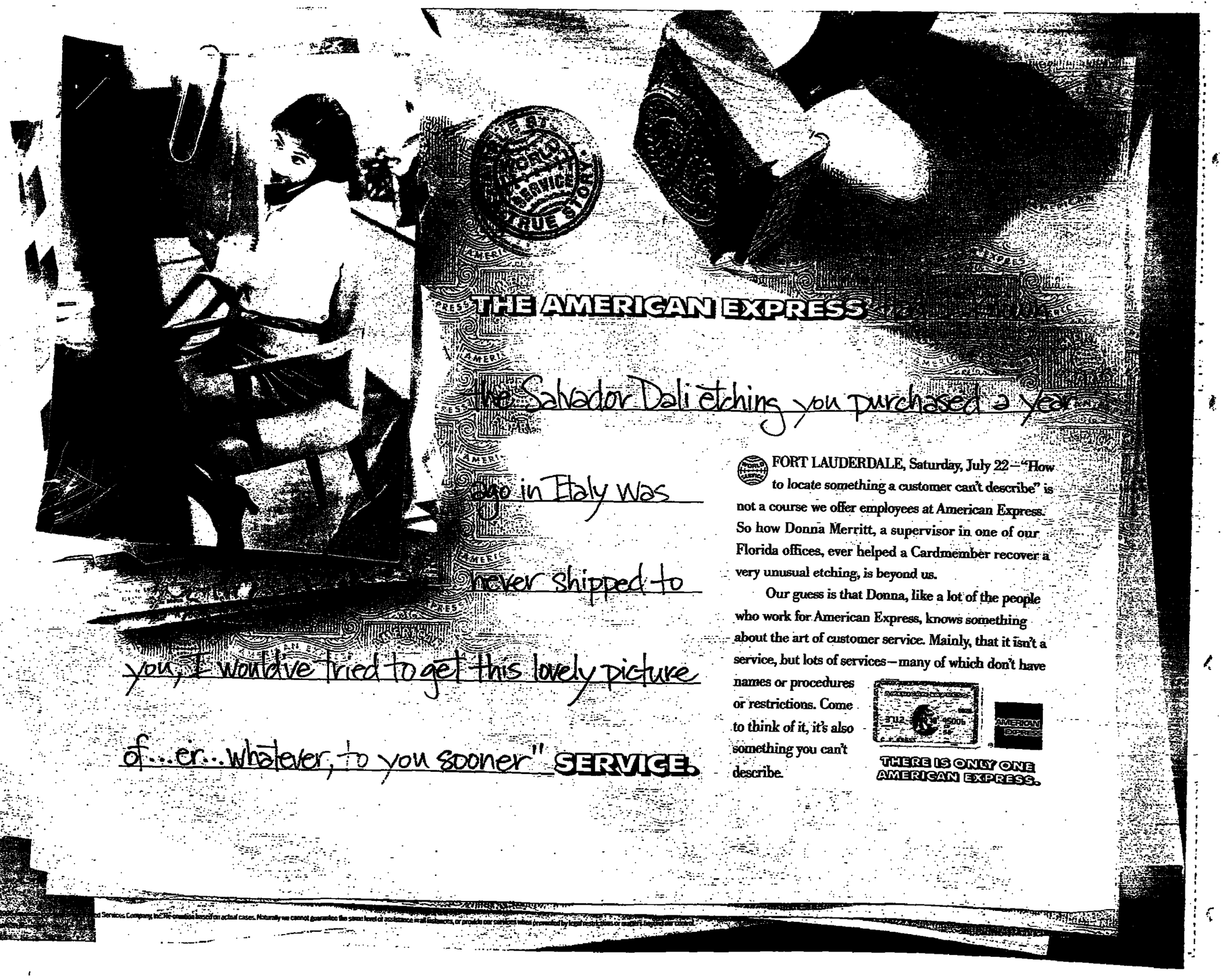
FRANKFURT (AP) — Porsche is considering the construction of a U.S. car plant, its chairman, Wendelin Wiedking said in an newspaper interview published Sunday.

Porsche's competitors BMW and Mercedes have plants in the United States and Audi also is considering opening one there.

"We see great chances in Europe, but also in the United States" Mr. Wiedking told Welt am Sonntag. "That's our biggest export market and the tendency of Americans to buy products made in their country is very big." He also said Porsche would be forced to reduce its temporary work force in Germany in order to secure permanent jobs.

Korea Publisher Said Bankrupt

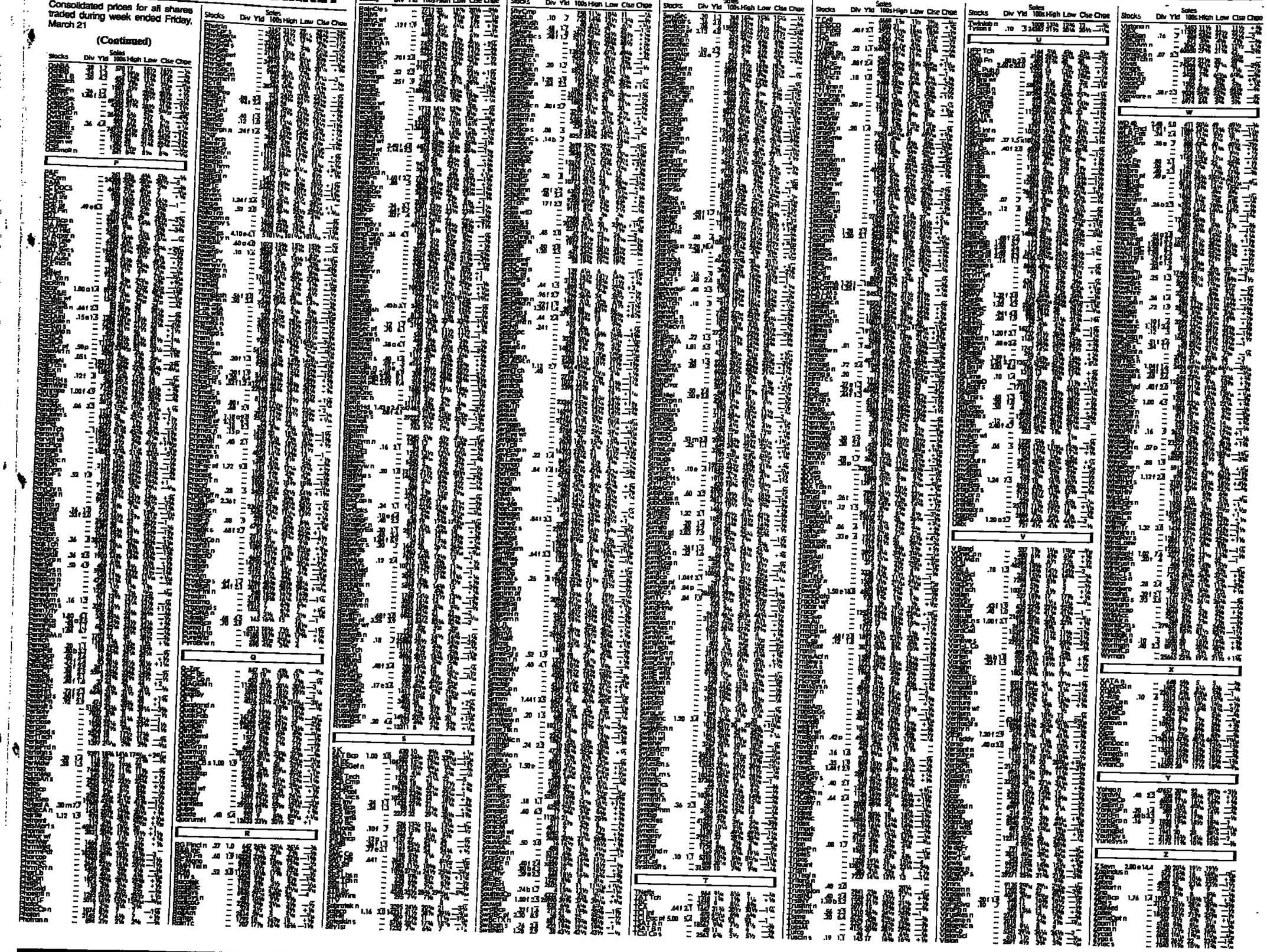
SEOUL (AFP) — Koreaone Media Ltd. has filed for protection from creditors after failing to honor bills of one billion won ($1.13 million dollars), newspaper reported Sunday. Koreaone, one of the country's largest publishing houses, had come close to bankruptcy on March 3, the Korea Times said. The publisher was not immediately available for comment Sunday.



NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, March 21

(Continued)

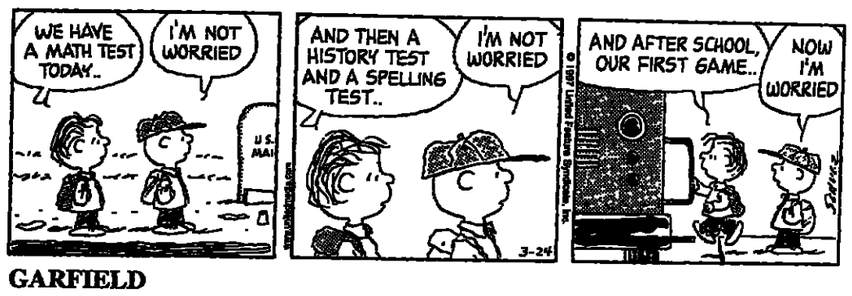


DENNIS THE MENACE

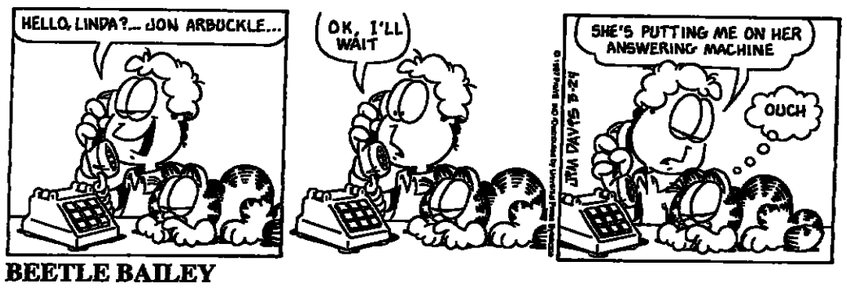


"NO BREAKFAST FOR ME. I GOT UP EARLY AND SPOILED MY APPETITE."

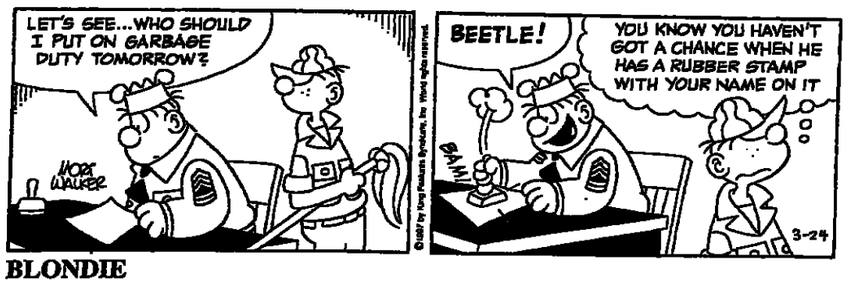
PEANUTS



GARFIELD



BEETLE BAILEY



BLONDIE



JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

RODLE

LAFIN

HOIDAR

DEGURT



WHAT THE ASPIRING VIOLINIST LIKED TO DO.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

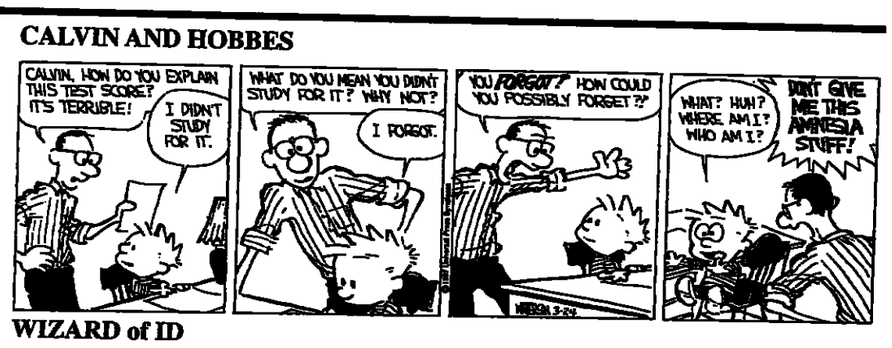
Answer: _____

(Answers tomorrow)

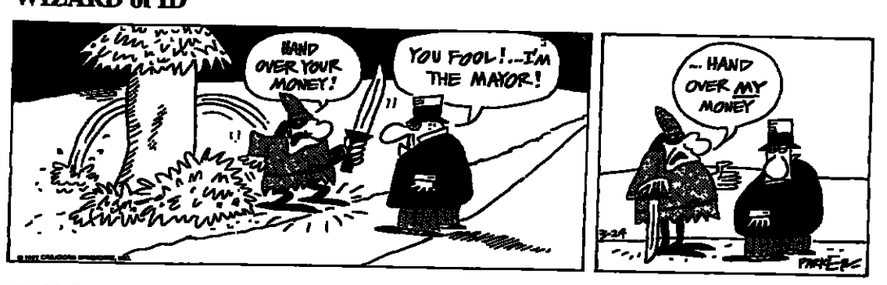
Saturday's Jumbles: HAZEL CEASE CRAWAT PLOWED
Answer: Ants can turn a kitchen into this — A CRAWL SPACE

HOTEL ★★★★★ GL
REY JUAN CARLOS I
CONRAD INTERNATIONAL
BARCELONA
Avenida Diagonal, 661 - 671
08028 Barcelona (Spain)
Hotel Reservations:
Tel. 34 3 448 08 08
Fax 34 3 448 06 07 or 34 3 448 00 43
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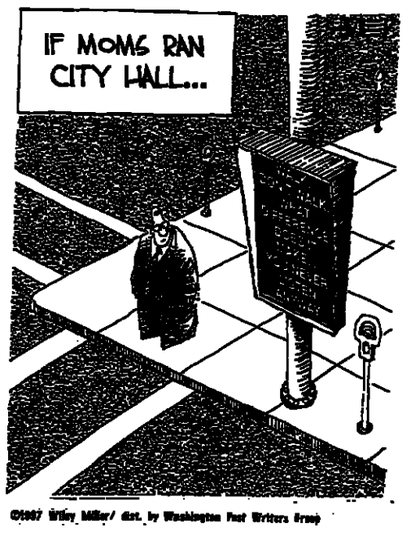
CALVIN AND HOBBES



WIZARD of ID



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PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
THE WORLD'S DAILY NEWSPAPER

Dutch Fans Fight, Leaving One Dead

Compiled by Our Staff From Dispatches

BEVERWIJK, Netherlands — A Dutch soccer fan died and dozens were injured on Sunday in a prearranged battle between supporters of rival first-division clubs who used mobile telephones to outmaneuver the police.

Hundreds of Ajax Amsterdam and Feyenoord Rotterdam fans armed with baseball bats, clubs and knives streamed to a vacant area along the A9 highway near Amsterdam for a showdown ahead of Feyenoord's match against AZ Alkmaar.

"One man is known to have died, but as yet I have no details on the precise number of wounded," a police spokesman, Alfred Ellwanger, said.

Witnesses said sticks, batons and hammers were among the weapons used by the fans. Several cars were also set on fire.

A number of injured Ajax fans were left lying on the ground after the fight, which the police said lasted only a few minutes. Feyenoord fans loaded their injured into cars before driving away.

Dutch radio said the dead fan was an Ajax supporter.

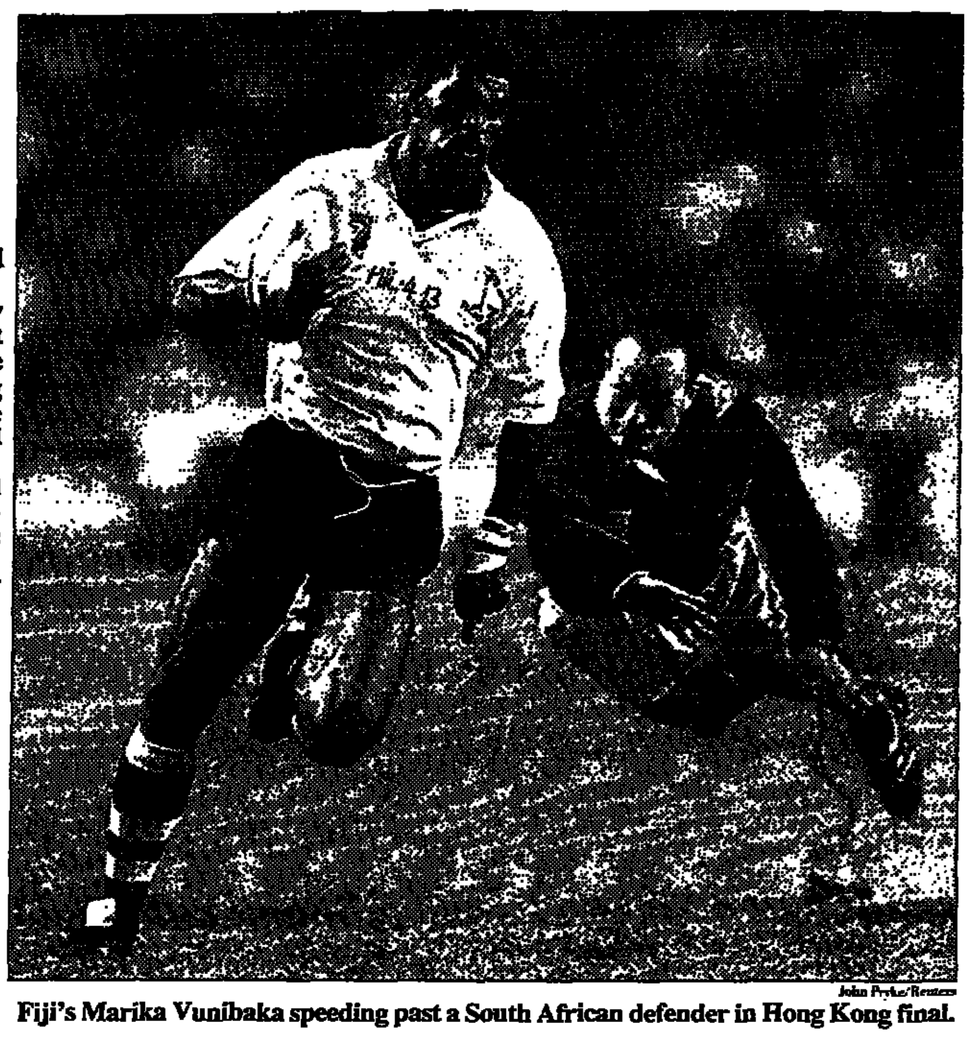
The police said they knew the supporters planned the fight but were unable to prevent the bloodshed because the gang chose their battle ground at the last minute and spread the word by mobile phones.

"We would have needed airborne troops to get between them," a local police chief said.

The police defused a similar incident earlier this year when a prearranged battle between Feyenoord and Ajax supporters broke out in north Amsterdam. *(AFP, Reuters)*

■ U.K. Inquiry Opened

The English Football Association launched an investigation Sunday into an outbreak of crowd violence at Saturday's first-division clash between Queens Park Rangers and Portsmouth, Agence France-Presse reported from London. Fighting broke out between rival fans at the Rangers' Loftus Road Stadium.



John Pryke/Reuters

Fiji's Marika Vunibaka speeding past a South African defender in Hong Kong final.

Sevens in Hong Kong: More Ritual Than Sport

By Tim Noonan
Special to the Herald Tribune

HONG KONG — With 100 days to go before Britain gives Hong Kong back to the Chinese, there was still enough time left to indulge a 21-year-old sports tradition.

The Hong Kong Rugby Union Sevens, which ended on Sunday with Fiji beating South Africa in the final, is more than just a sporting event. It is a social fixture in the British colony.

This year the event broke with the invitational tradition to host the second World Cup. The first was won by England in Edinburgh in 1993.

Sevens is a hybrid of traditional 15-on-a-side rugby union. It is played on a regulation rugby field by two teams of seven men.

"Speed is of the essence in sevens rugby," said Leo Williams, chairman of the Rugby World Cup, "and part of the allure for the uninitiated is the simplicity of the rules."

Williams says Hong Kong has become the Mecca of the Sevens. "Having this event here is simply a recognition of Hong Kong's role in the elevation of the Sevens code to international celebrity status," he said.

In 1976, 12 teams contested the first Hong Kong Sevens invitational tournament in front of a handful of fans. This year around 120,000 spectators filed through Hong Kong stadium during the three day tournament while viewers in 140 countries watched 24 national teams compete on television.

For the legion of internationals living in Hong Kong, the Sevens have become an annual ritual of sport and revelry, complete with streakers, lager louts and flag waving patriots. Only recently has the action on the field matched that in the stands. Although local Chinese make up 97 percent of Hong Kong's population, they are mostly invisible during the Sevens.

"The event does not arouse much interest with locals," said a Hong Kong native, Andy Liu, a university administrator. "Most Chinese view it as a big drunk for foreigners."

However, Peter Duncan, chairman of the Hong Kong Rugby Football Union does see some promising signs. "We have a number of youth leagues which feature a nice mix of locals and expatriates and China now has close to one million people playing the sport."

China was voted last week onto the International Rugby Board, made up of rugby playing nations.

Stewart says China is committed to seeing the Hong Kong Sevens prosper and nothing will change after the handover.

However, both the main sponsors of the event, Hong Kong Bank and Cathay Pacific, the airline, will be pulling out of the Sevens in 1998.

"We greatly appreciate the exposure the tournament has afforded us, said Mike Broadbent, head of group public affairs for Hong Kong Bank, "Our marketing strategy has evolved in different directions in recent years and we felt that after being involved in the World Cup this year, it would be good time to depart."

For many though, the departure of two of the highest profile companies in the territory from the Sevens has ominous overtones.

"They may try and put a positive spin on it," said Nigel Marshall, a venture capitalist from England who lives in Hong Kong. "But it shows a lack of faith in Hong Kong after 1997. This is a town which is built on status and few things carry the status that the Sevens do. Many people find it hard to believe that companies who are making huge profits would suddenly find the most visible event in Hong Kong not worthy of support."

"I think this event may have peaked in the last couple of years," Marshall said. "The international community is what made this event great and more and more you see a great deal of uncertainty in that group."

Fiji Edges South Africa in Final

Compiled by Our Staff From Dispatches

HONG KONG — Lemeki Koroi scored two tries as Fiji came from behind to edge South Africa, 24-21, for the championship Sunday in the Rugby World Cup Sevens tournament.

The South Africans stunned the Fijians with two quick tries by Andre Venter in the first three minutes before a capacity crowd of 40,000 at the Hong Kong Football Stadium. Stephen Brink converted both tries.

With the South Africans smothering all Fijian attacks, it appeared that the Springboks were heading for a convincing victory. But Fiji's Marika Vunibaka struck in the dying minute of the first half, narrowing the South African lead to 14-7.

The Fijians, seven-time winners of the Hong Kong Sevens, surged ahead in the second half when Luke Erenavula scored a try, and Kori followed with two tries.

Fiji's captain, Waisale Serevi, the greatest exponent of seven-man rugby, converted two of his side's four tries.

With a minute left, Brink scored a try, which he converted. But time ran out for the South Africans.

Before the tournament, Serevi had promised the people of Fiji that he would bring the Melrose Cup to the islands.

In the semifinals, South Africa beat New Zealand, 31-7, and Fiji beat Western Samoa, 38-14.

Bayern, Without Klinsmann, Takes Bundesliga Lead

Compiled by Our Staff From Dispatches

Bayern Munich ended a turbulent week with a 2-0 victory at Karlsruhe on Sunday to take over the top spot in the German first division.

Two goals from Alexander Zickler in the 30th and 90th minutes helped the Bavarians take a two-point lead after a week in which Juergen Klinsmann said he was leaving the club.

Bayern leads VfB Stuttgart, which won by 4-0 at the struggling Fortuna Duesseldorf on Friday, and Bayer Leverkusen, 2-1 winners at Freiburg, a bottom club, on Saturday, by two points.

Borussia Dortmund slipped to fourth, a further point behind after losing by 3-1 to Borussia Moenchengladbach on Saturday. It was the reigning champions' first defeat at home for more than a year.

Klinsmann was unable to play in Sunday evening's game because of suspension and has been allowed to take a five-day holiday.

ITALY A Juventus defender, Paolo Montero, was sent off against Napoli on Sunday but his team held on for a 0-0 tie which increased its lead at the top of Serie A because Parma, in second place, lost by 1-0 at Fiorentina.

Montero was shown the red card in the 37th minute for a foul that denied Nicola Caccia a clear run at goal. But Angelo Peruzzi's goalkeeping spared Juve from defeat.

Parma's run of four successive victories was ended when the French defender Lilian Thuram deflected Rui Costa's shot past his own keeper, Gian Luigi Buffon, in the 33d minute.

SOCCER ROUNDUP

SPAIN Barcelona regained second place in the Spanish first division on goal difference from Real Betis Sunday with an emphatic 4-0 victory over struggling Sevilla.

Barcelona needed to win by two goals to overtake Betis, which beat Oviedo by 4-0 on Saturday. Ronaldo, Juan Pizzi, Luis Enrique Martinez and Oscar Garcia scored Barca's goals.

Real Madrid maintained its nine-point lead over both sides thanks to two first half goals by Fernando Hierro in a straightforward 2-0 home triumph over Zaragoza.

ENGLAND A brilliant second-half free kick by Faustino Asprilla salvaged a point for Newcastle in a 1-1 draw at Wimbledon on Sunday.

Asprilla curled a shot from 25 yards over the defensive wall and into the corner of the Wimbledon net to cancel out Oyvind Leonhardsen's first-half opener. Nevertheless, Newcastle is now 11 points behind the leader, Manchester United.

Manchester United gained a 2-0 victory at Everton Saturday with goals by Ole Gunner Solskjaer of Norway and the French star Eric Cantona.

FRANCE Patrice Loko followed his hat-trick in the Cup Winners Cup in Athens on Thursday with the two goals that gave Paris St Germain a 2-0 victory over Metz on Sunday.

Loko scored in the 20th and 24th minutes to keep PSG within seven points of Monaco, the leader, which beat Bastia by 3-1 on Saturday.

U.S. Goalkeeper Dave Salzwedel kept a clean sheet during the game and then scored the winning shootout goal as the San Jose Clash beat the New York-New Jersey MetroStars, 1-0, Saturday in the opening match of Major League Soccer's second season before 23,501. Salzwedel beat the MetroStars goalkeeper, Tony Meola, in the 11th round of the shootout, which the Clash won, 4-3.

WORLD CUP Ronald Gomez scored in the 76th minute on Sunday to give Costa Rica a 3-2 victory over the United States in a World Cup qualifying game in San Jose.

Herman Medford gave Costa Rica a 10th minute lead. Eric Wynalda leveled after 24 minutes, but Mauricio Solis gave the home team a 2-1 halftime lead. Roy Lassiter leveled at 2-2 but then Gomez scored the winner.

The United States lies second in the six-team north and central American group behind Mexico and ahead of Costa Rica, but all three teams have four points and the United States has played one more game. *(AP, AFP, Reuters)*

SCOREBOARD

BASEBALL

Exhibition Baseball

FRIDAY'S GAMES

Florida 6, Cincinnati 5
Houston 4, Atlanta 3
St. Louis 10, Philadelphia 0
Pittsburgh 6, Minnesota 3
Kansas City 3, Cleveland 2
Toronto 10, Texas 4
San Francisco 6, Chicago Cubs 5, 10 innings
San Diego 12, Milwaukee 5
Oakland 14, Seattle 4
Chicago White Sox 4, Boston 1
New York Yankees 4, Detroit 3
Colorado 10, Anaheim 5
Baltimore 11, N. Y. Mets 4, 5½ innings, rain
Los Angeles vs. Montreal at West Palm Beach, Fla., ccd., rain

SATURDAY'S GAMES

Montreal 9, Atlanta 2
Florida 4, Los Angeles 3
Cincinnati 6, Houston 3
Cleveland 9, Philadelphia 7
St. Louis 2, Boston 1
Pittsburgh 11, Chicago White Sox 7
Detroit 11, Kansas City 6
Texas 15, Minnesota 5
New York Yankees 3, Toronto 0
Baltimore 7, New York Mets 3
San Diego 4, Chicago Cubs 3
Seattle (ss) 13, San Francisco (ss) 3
Milwaukee 8, San Francisco (ss) 1
Seattle (ss) 11, Oakland 7
Anaheim 8, Colorado 4

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	Pct	GB
x-Miami	50	17	.746	—
x-New York	49	19	.721	1½
Orlando	38	29	.567	12
Washington	33	35	.485	17½
New Jersey	20	46	.303	29½
Philadelphia	18	49	.269	32
Boston	13	56	.188	38
CENTRAL DIVISION				
x-Chicago	59	9	.868	—
x-Detroit	48	20	.706	11
Atlanta	46	22	.676	13
Charlotte	45	24	.652	14½
Cleveland	36	31	.537	22½
Indiana	31	36	.463	27½
Milwaukee	28	39	.418	30½
Toronto	25	43	.368	34

WESTERN CONFERENCE

MIDWEST DIVISION	W	L	Pct	GB
x-Utah	51	17	.750	—
x-Houston	45	23	.662	6
Minnesota	33	34	.493	17½
Dallas	22	45	.328	28½
Denver	19	48	.284	31½
San Antonio	16	51	.239	34½
Vancouver	12	58	.171	40
PACIFIC DIVISION				
x-Seattle	47	20	.701	—
x-L.A. Lakers	45	22	.672	2
Portland	40	29	.580	8
L.A. Clippers	29	37	.439	17½
Phoenix	29	39	.426	18½
Sacramento	29	40	.420	19
Golden State	25	43	.368	22½

x-clinched playoff spot:

FRIDAY'S RESULTS

Orlando	29	30	26	19	—104
Boston	28	23	29	19	— 99

O: Hardaway 9-15 6-7 27, Seikaly 7-16 3-4 17, Armstrong 6-10 3-3 17; B: Walker 8-24 3-4 19, Wesley 7-18 3-3 19. Rebounds—Orlando 42 (Grant, Seikaly 11), Boston 60 (Walker 21). Assists—Orlando 24 (Armstrong 6), Boston 16 (Walker 5).

Charlotte	26	27	26	23	—102
Toronto	27	22	30	18	— 97

C: Rice 10-24 5-8 27, Bogues 6-11 2-2 17; T: Stoudamire 10-18 7-9 29, Camby 5-11 6-9 16. Rebounds—Charlotte 48 (Mason, Divac 10), Toronto 36 (Camby 16). Assists—Charlotte 14 (Bogues 4), Toronto 23 (Christie 9).

New Jersey	33	32	21	24	—110
Philadelphia	27	28	28	29	—112

N.J.: Gill 12-20 6-8 33, Cassell 10-17 6-6 28; P: Stackhouse 8-21 13-15 31, Williams 9-15 2-2 20. Rebounds—New Jersey 37 (Massenburg 8), Philadelphia 57 (Coleman 12). Assists—New Jersey 22 (Cassell 6), Philadelphia 29 (Coleman 9).

L.A. Lakers	21	28	24	24	— 97
Miami	33	20	16	29	— 98

L.A.: Campbell 8-19 8-19 24, Van Exel 8-19 7-2 20; M: Lenard 8-17 3-4 25, Mashburn 7-11 5-8 21, Hardaway 7-22 2-3 21. Rebounds—Los Angeles 54 (Campbell 12), Miami 45 (Austin 11). Assists—Los Angeles 19 (Van Exel 11), Miami 25 (Hardaway, Mashburn 7).

Dallas	17	19	25	11	—72
Atlanta	26	25	24	18	— 93

D: Bradley 6-16 5-6 17, Harper 4-13 2-2 11; A: Blaylock 6-12 3-4 20, Laettner 9-15 0-0 18. Rebounds—Dallas 30 (Walker 7), Atlanta 38 (Mutombo 18). Assists—Dallas 18 (Watson, Pack 5), Atlanta 22 (St.Smith 8).

Minnesota	27	19	30	22	— 98
Detroit	33	32	25	22	—112

M: Gugliotta 6-15 6-7 18, Garnett 7-18 2-2 16; D: Hill 7-13 8-11 22, Thorpe 7-11 6-10 20. Rebounds—Minnesota 50 (Garnett, Gugliotta 9), Detroit 47 (Hill 11). Assists—Minnesota 25 (Gugliotta 7), Detroit 29 (Hill 10).

Chicago	26	26	33	32	—117
Indiana	19	28	24	27	— 98

C: Jordan 11-25 13-14 36, Pippen 5-11 7-9 18; I: Smits 9-17 2-2 20, Miller 5-17 6-6 18. Rebounds—Chicago 56 (Rodman 19), Indiana 38 (Smits 6). Assists—Chicago 26 (Pippen 8), Indiana 28 (Jackson 10).

Denver	29	28	20	24	—101
Vancouver	34	36	15	23	—108

D: McDyess 9-18 7-8 29, D. Ellis 8-22 7-7 26; V: Reeves 14-24 3-4 31, Abdur-Rahim 9-19 6-7 24. Rebounds—Denver 51 (Johnson 14), Vancouver 55 (Abdur-Rahim 14). Assists—Denver 25 (Thompson 8), Vancouver 28 (Anthony 12).

San Antonio	28	24	28	21	9—110
Sacramento	26	19	26	30	13—114

S.A.: Wilkins 10-23 10-11 31, Del Negro 9-16 4-4 25; S: Richmond 9-22 9-10 28, Williamson 7-13 3-3 17. Rebounds—San Antonio 41 (Perdue, Feick 7), Sacramento 59 (Smith, Polynice 13). Assists—San Antonio 19 (Alexander 11), Sacramento 24 (Abdul-Rauf 6).

SATURDAY'S RESULTS

Golden State	20	17	30	22	4— 93
Charlotte	26	23	23	17	11—100

G.S.: Smith 14-26 2-2 31, Mullin 7-12 6-6 22; C: Rice 9-21 5-5 24, Curry 9-14 0-0 21. Rebounds—Golden State 53 (Smith 15), Charlotte 49 (Divac 12). Assists—Golden State 18 (Sprewell 9), Charlotte 30 (Bogues 12).

Portland	24	32	23	25	—104
Washington	28	27	24	29	—108

P: Rider 38 9-17 9-9 28, Wallace 9-14 6-8 25; W: Webber 8-17 8-10 26, Strickland 4-13 14-18 22. Rebounds—Portland 55 (Wallace 10), Washington 46 (Webber 12). Assists—Portland 17 (Anderson 9), Washington 24 (Strickland 11).

Phoenix	27	29	25	23	—104
Houston	30	26	24	19	— 99

P: Chapman 10-16 2-2 27, K.Johnson 8-17 3-4 21; H: Olajuwon 18-31 3-3 39, Drexler 6-18 2-2 17. Rebounds—Phoenix 46 (Kidd 10), Houston 54 (Willis 11). Assists—Phoenix 33 (Kidd 15), Houston 30 (Drexler 11).

Cleveland	21	21	14	19	— 75
Dallas	19	15	21	17	— 72

C: Hill 8-14 8-12 24, Ferry 7-19 0-0 16; D: Finley 6-17 9-10 22, Harper 6-13 2-2 16. Rebounds—Cleveland 59 (Hill 18), Dallas 53 (Green 14). Assists—CL 18 (Sura 8), Dallas 10 (Finley 4).

New York	22	18	23	16	— 79
Milwaukee	27	21	22	18	— 88

N.Y.: Ewing 11-20 3-4 25, Johnson 6-11 3-4 15; M: Gilliam 10-16 0-0 20, Baker 7-15 2-2 16, Robinson 6-18 4-4 16. Rebounds—New York 41 (Oakley 12), Milwaukee 42 (Baker 12). Assists—New York 16 (Childs 6), Milwaukee 19 (Douglas 8).

Detroit	21	21	26	20	— 88
Chicago	37	15	30	21	—103

D: Hill 5-14 6-11 16, Thorpe 5-11 4-7 14; C: Pippen 11-20 3-4 26, Jordan 8-20 4-4 23. Rebounds—Detroit 42 (Reid 8), Chicago 66 (Rodman 18). Assists—Detroit 15 (Hill 8), Chicago 30 (Jordan 7).

L.A. Clippers	26	17	25	26	— 94
Utah	30	34	24	19	—107

L.A.: Sealy 6-16 5-5 19, Rogers 8-13 0-1 18; U: Malone 9-13 2-6 20, Stockton 8-13 3-5 19. Rebounds—Los Angeles 50 (Vaught 8), Utah 58 (Ostertag 14). Assists—Los Angeles 20 (Barry, Richardson 4), Utah 24 (Stockton 12).

Sacramento	18	29	27	25	— 99
Seattle	27	34	24	28	—113

S: Richmond 8-21 6-6 25, Abdul-Rauf 8-16 2-2 21; S: Hawkins 5-10 11-12 22, Kemp 5-13 6-8 16. Rebounds—Sacramento 43 (Smith 11), Seattle 46 (Hawkins 8). Assists—Sacramento 20 (Smith 4), Seattle 23 (McMillan 6).

NCAA Tournament

REGIONAL SEMIFINALS

EAST
Louisville 78, Texas 63
North Carolina 63, California 57

SOUTHEAST
Arizona 85, Kansas 82
Providence 71, Tennessee-Chattanooga 65

REGIONAL CHAMPIONSHIP

MIDWEST
Minnesota 80, UCLA 72

WEST
Kentucky 72, Utah 59

NCAA Women's Tournament

REGIONAL SEMIFINALS

MIDWEST
Connecticut 78, Illinois 73
Tennessee 75, Colorado 67

EAST
George Washington 55, North Carolina 46
Notre Dame 87, Alabama 71

WEST
Stanford 91, Virginia 69
Georgia 66, Vanderbilt 52

MIDEAST
Old Dominion 62, LSU 49
Florida 71, Louisiana Tech 57

National Invitation Tournament

THIRD ROUND
Connecticut 76, Nebraska 67

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	T	Pts	GF	GA
x-Philadelphia	40	21	11	91	245	193
x-New Jersey	39	20	13	91	203	165
Florida	33	24	17	83	201	179
N.Y. Rangers	34	30	9	77	236	206
Washington	29	36	8	66	185	204
Tampa Bay	28	37	7	63	194	226
N.Y. Islanders	25	36	11	61	202	215
NORTHEAST DIVISION						
x-Buffalo	38	23	11	87	216	182
Pittsburgh	34	31	7	75	251	242
Montreal	26	33	14	66	221	252
Hartford	27	35	10	64	194	225
Ottawa	24	33	15	63	200	212
Boston	24	40	9	57	211	263

WESTERN CONFERENCE

CENTRAL DIVISION	W	L	T	Pts	GF	GA
x-Dallas	43	23	6	92	224	173
Detroit	34	22	15	83	226	169
Phoenix	35	34	5	75	213	222
St. Louis	31	32	9	71	213	219
Chicago	28	32	12	68	188	184
Toronto	26	41	6	58	210	253
PACIFIC DIVISION						
x-Colorado	45	18	9	99	248	176
Edmonton	33	32	7	73	224	216
Anaheim	30	31	11	71	212	207
Calgary	31	35	8	70	198	208
Vancouver	30	39	4	64	224	248
Los Angeles	26	38	9	61	192	240
San Jose	24	41	7	55	182	238

x-clinched playoff spot:

FRIDAY'S RESULTS

Detroit	1	0	0	—1
N.Y. Rangers	1	1	1	—3

First Period: New York, Messier 35 (Graves, Leetch) 2, D-Lidstrom 14 (Kozlov, McCarty) (pp). Second Period: New York, Courtnall 11 (Eastwood) (sh). Third Period: New York, Gretzky 22 (Tikkanen) Shots on goal: D- 10-16-8—34. New York 12-11-8—31. Goalies: D-Osgood. New York, Healy.

Buffalo	0	2	2—4
Washington	0	1	0—1

First Period: None. Second Period: B-Holzinger 22 (Galley, Audette) (pp). 2, W-Bondra 43 (Pivonka, Johansson) 3, B-Dawe 21 (Peca, Ward) Third Period: B-Dawe 22 (Peca, Smehlik) 5, B-Peca 19, (sh-en) Shots on goal: B- 3-4-5—12. W- 12-8-11—31. Goalies: B-Shields. W-Ranford.

Hartford	0	0	0—0
Dallas	0	1	1—2

First Period: None. Second Period: D-Bassen 3 (Kennedy) Third Period: D-Zubov 13 (Irbe) Shots on goal: H- 6-5-5—16. D- 6-10-9—25. Goalies: H-Burke. D-Irbe.

Anaheim	1	2	0—3
Colorado	0	1	3—4

First Period: A-Kariya 35 (Mironov, Rucchin) (pp). Second Period: C-Ozolinsh 21 (Kamensky, Sakic) (pp). 3, A-Kariya 36 (Mironov, Dalgneault) 4, A-Selanne 46, Third Period: C-Deadmarsh 31 (Kamensky, Forsberg) 6, C-Kamensky 22 (Forsberg, Lemieux) (pp). 7, C-Forsberg 22 (Deadmarsh, Gusarov) Shots on goal: A- 7-7-5—19. C- 11-6-16—33. Goalies: A-Hebert. C-Billington.

Tampa Bay	1	1	1	1—4
Calgary	1	2	0	0—3

First Period: T-Gratton 25 (Norton, Ysebaert) (pp). 2, C-Albelin 4 (Domenichelli, Millen) (pp). Second Period: C-Domenichelli 3 (McCarthy, Ward) 4, C-Titov 21 (Millen) 5, T-Selivanov 14 (Cullen, Burr) Third Period: T-Burr 13 (Cullen) Overtime: 7, T-Toms 2 (Poulin) Shots on goal: T- 9-11-17-4—41. C- 10-8-7—25. Goalies: T-Tabaracci, Schwab. C-Kidd.

SATURDAY'S RESULTS

Ottawa	2	2	1—5
Boston	2	0	2—4

First Period: B-Roy 7 (Beers, Dimaio) 2, O-, Duchesne 14 (Yashin, Alfredsson) (pp). 3, O-Duchesne 15 (Laukkanen, Alfredsson) (pp). 4, B-Carter 7 (Stumpel, T.Sweeney) (pp). Second Period: O-McEachern 8 (Yashin, Gardiner) 6, O-Chorske 15 (Duchesne, Bonk) Third Period: O-Yashin 32, (McEachern, Gardiner) 8, B-Rohloff 3 (Stumpel, Dimaio) (pp). 9, B-, Stumpel 17 (Dimaio) Shots on goal: O- 9-10-9—28. B- 10-8-13—31. Goalies: O-Tugnutt. B-Carey, Tallas.

New Jersey	0	1	2—3
Pittsburgh	1	1	0—2

First Period: P-Roche 5 (Barnes, Johnson) Second Period: P-Johnson 12 (Barnes, Leroux) 3, N.J.-Andreychuk 25 (Thomas, Niedermayer) Third Period: N.J.-Elliott 6 (Gilmour, Guerin) 5, N.J.-Holik 19 (Andreychuk, Niedermayer) Shots on goal: N.J.- 9-8-15—33. P- 5-11-5—21. Goalies: N.J.-Brodeur, P-Lalime.

Philadelphia	3	0	0	0—3
N.Y. Islanders	0	1	2	0—3

First Period: P-Coffey 9 (Renberg, Lindros) 2, P-LeClair 47 (Niinimaa, Prospal) (pp). 3, P-Lacroix 7 (Svoboda, Druce) (pp). Second Period: New York, Jonsson 3 (Smolinski, Palffy) (pp). Third Period: New York, Bertuzzi 8 (Green, Andersson) 6, New York, Lapointe 10 (McCabe) Overtime: None. Shots on goal: P- 11-13-5-0-29. New York 10-8-11-1-30. Goalies: P-Snow. New York, Salo.

Buffalo	0	1	1—2
Florida	1	2	0—3

First Period: F-Mellanby 26 (Carkner, Lindsay) Second Period: B-Satan 18 (Smehlik, Plante) 3, F-Sheppard 28 (Muller, Svehla) (pp). 4, F-, Dvorak 17 (Sheppard) Third Period: B-McKee 1 (Satan) Shots on goal: B- 3-5-10—18. F- 17-8-7—32. Goalies: B-Shields. F-Vanbiesbrouck.

Washington	1	2	0—3
Montreal	0	0	1—1

First Period: W-Tocchet 19 (Cote, Witt) Second Period: W-Tocchet 20 (Oates) 3, W-Konowalchuk 14 (Miller, Klee) (sh). Third Period: M-Rucinsky 25 (Bure, Damphousse) Shots on goal: W- 8-5-7—20. M- 6-14-9—29. Goalies: W-Ranford. M-Thibault.

Phoenix	1	1	1—3
Toronto	0	0	0—0

First Period: Phoenix, Lemieux 1 (King, Stapleton) Second Period: Phoenix, Roenick 24 (Ronning) Third Period: Phoenix, Roenick 25, Shots on goal: Phoenix 13-8-23—44. T- 12-7-14—33. Goalies: Phoenix, Khabibulin. T-Potvin.

San Jose	0	0	1—1
Los Angeles	1	1	0—2

First Period: L.A.-Yachmenev 8 (O'Donnell, Tsyplakov) (pp). Second Period: L.A.-Lafayette 1 (Shevalier, Norstrom) (sh). Third Period: S.J.-Friesen 26 (Kozlov) Shots on goal: S.J.- 11-11-13—35. L.A.- 13-4-8—25. Goalies: S.J.-Belfour. L.A.-Dafoe.

Tampa Bay	0	1	1—2
Vancouver	1	2	0—3

First Period: V-Gelinas 28 (Noonan, Stools) Second Period: T-Gratton 26 (Zamuner). 3, V-Aucoin 4 (Mogilny, Bohonos) (pp). 4, V-, Naslund 16 (Bohonos) Third Period: T-Cullen 16 (Ciccarelli) Shots on goal: T- 15-11-6—32. V- 5-9-8—22. Goalies: T-Schwab, Tabaracci, V-Hirsch.

ATHLETICS

World Cross Country Championships

SUNDAY, IN TURIN, ITALY

SENIOR WOMEN

1, Derartu Tulu, Ethiopia, 20 min., 53 sec. 2, Paula Radcliffe, Britain, 20:55. 3, Gete Wami, Ethiopia, 21:00. 4, Julia Vaquero, Spain, 21:01. 5, Sally Barsosio, Kenya, 21:05. 6, Merima Denboba, Ethiopia, 21:18. 7, Catherina McKiernan, Ireland, 21:20. 8, Naomi Mugo, Kenya, 21:23. 9, Sonia O'Sullivan, Ireland, 21:25. 10, Jane Omoro, Kenya, 21:29.

Team standings: 1, Ethiopia, 24 points. 2, Kenya, 34. 3, Ireland, 64.

SENIOR MEN

1, Paul Tergat, Kenya, 35 min. 11 sec., 2, Salah Hissou, Morocco, 35:13. 3, Thomas Nyariki, Kenya, 35:20. 4, Paul Koech, Kenya, 35:23. 5, Mohammed Mourit, Belgium, 35:35. 6, Bernard Barmasai, Kenya, 35:35. 7, Joseph Kibor, Kenya, 35:37. 8, Ismail Sghir, Morocco, 35:56. 9, Julio Rey, Spain, 35:57. 10, Khalid Boulami, Morocco, 35:59

Team standings: 1, Kenya 51 points, 2, Morocco 70. 3, Ethiopia 125.

JUNIOR WOMEN

1, Rose Koskei, Kenya, 14:58. 2, Prisca Jepleting, Kenya, 14:59. 3, Ayelech Worku, Ethiopia, 15:02.

Team standings: 1, Kenya, 15 points. 2, Japan, 38. 3, Ethiopia, 39.

JUNIOR MEN

1, Elijah Korir, Kenya, 24 minutes, 20 seconds. 2, Million Wolde, Ethiopia, 24:28. 3, Paul Kosgei, Kenya, 24:29.

Team standings: 1, Kenya, 13. 2, Ethiopia, 31. 3, Morocco, 74.

CRICKET

AUSTRALIA TOUR

3D TEST, 3D DAY

SOUTH AFRICA VS. AUSTRALIA

SUNDAY, IN PRETORIA, SOUTH AFRICA

South Africa: 384
Australia: 227 and 96-4

INDIA TOUR

3 DAY MATCH, 1ST DAY

BARBADOS VS. INDIA

SATURDAY, IN BRIDGETOWN, BARBADOS

India: 210 all out

GOLF

Shizuoka Open

Final leading scores Sunday in the 100 million yen (dlrs 813,000) DyDo Drinco Shizuoka Open golf tournament at the 6,886-yard (6,266-meter), par-72 Shizuoka Country Hamaoka Course in Ogasa, Japan (Japanese unless specified):

Hisayuki Sasaki	71-67-68-68—274
C. Franco, Paraguay	67-69-71-70—277
Ryoken Kawagishi	70-73-68-68—279
Keiji Teshima	66-74-70-69—279
Yoshitaka Yamamoto	70-73-67-69—279
Keiichiro Fukabori	69-70-70-70—279
F. Minoza, Philippines	69-65-72-73—279
Katsunari Takahashi	69-73-72-66—280
Shigemasa Higaki	69-70-68-73—280
Shigeki Maruyama	71-69-75-66—281
Toshimitsu Izawa	71-71-70-69—281

Turespana Masters

Final round scores and totals in the Turespana Masters at the Maspalomas Golf Club on Sunday in Maspalomas, Gran Canaria, Spain:

J.-M. Olazabal (Spa)	70 67 68 67 —272
L. Westwood, Eng.	72 63 68 71 — 274
P. Broadhurst, Eng.	69 72 67 68 — 276
E. Romero, Argentina	70 70 67 69 — 276
D.Gilford, Eng.	70 69 70 68 — 277
J. Coceres, Argentina	67 71 65 74 — 277
D. Borrego, Spain	70 72 68 68 — 278
I. Garrido, Spain	70 71 71 67 — 279
I. Feliu, Spain	73 69 70 67 — 279
R. Goosen, S Africa	69 71 69 70 — 279

ICE SKATING

World Championship

LAUSANNE, SWITZERLAND

WOMEN'S

Final standing:
1. Tara Lipinski, U.S., 2.5
2. Michelle Kwan, U.S., 3.0
3. Vanessa Gusmeroli, France, 5.0
4. Irina Slutskaya, Russia, 6.0
5. Maria Butyrskaya, Russia, 6.5
6. Laetitia Hubert, France, 10.5
7. Krisztina Czako, Hungary, 10.5
8. Julia Lautowa, Austria, 11.5
9. Yulia Lavrenchuk, Ukraine, 14.5
10. Eva-Marie Fitze, Germany, 17.0

DANCE

Final standings:
1. Oksana Gritschuk/E. Platov, Russ., 2.0
2. Anjelika Krylova/O. Ovsiannikov, Russ., 4.0
3. Shae-Lynn Bourne/Victor Kraatz, Can., 5.8
4. Sophie Moniotte/Pascal Lavanchy, Fr., 8.2
5. Marina Anissina/Gwendal Peizerat, Fr., 9.8
6. Elisabeth Punsalan/J. Swallow, U.S., 12.0
7. Irina Lobacheva/Ilya Averbukh, Russ., 14.0
8. Irina Romanova/I. Yaroshenko, Ukr., 16.0
9. Barbara Fusar-Poli/M. Margaglio, It., 18.8
10. M. Drobiazko/P. Vanagas, Lith., 19.2

SOCCER

WORLD CUP QUALIFIERS

CONCACAF ZONE

Costa Rica 3, United States 2

Standings: Mexico 4 points. U.S. 4. Costa Rica 4. Jamaica 1. El Salvador 0. Canada 0.

ASIA ZONE, GROUP 4

SUNDAY, IN MUSCAT, OMAN

Nepal 1, Macao 1
Oman 0, Japan 1

Standings: Japan 3, Macao 1, Nepal 1, Oman 0.

GERMAN BUNDESLIGA

Bor. Dortmund 1, Bor. Moenchengladbach 3
Hamburg 2, Bochum 2
Cologne 0, St. Pauli 1
1860 Munich 2, Hansa Rostock 0
Schalke 0, Arminia Bielefeld 0
Freiburg 1. Bayer Leverkusen 2
Fortuna Duesseldorf 0, VfB Stuttgart 4
Werder Bremen 0, Duisburg 2
Karlsruhe 0, Bayern Munich 2

Standings: Bayern Munich 49, Stuttgart 47, Bayer Leverkusen 47, Bor. Dortmund 46, Schalke 04 37, Bochum 36, Karlsruher 34, 1860 Munich 34, Cologne 33, Werder Bremen 32, Arminia Bielefeld 30, Hamburger 29, Moenchengladbach 29, Duisburg 28, For. Duesseldorf 25, St. Pauli 23, H. Rostock 21, Freiburg 14.

ENGLISH PREMIER LEAGUE

Wimbledon 1, Newcastle 1
Blackburn 0, Aston Villa 2
Coventry 1, West Ham 3
Derby 4, Tottenham 2
Everton 0, Manchester United 2
Middlesbrough 1, Chelsea 0
Sheffield Wednesday 2, Leeds 2
Southampton 2, Leicester 2
Sunderland 1, Nottingham Forest 1

Standings: Manchester U. 63, Liverpool 57, Arsenal 57, Newcastle 52, A. Villa 50, Chelsea 49, Sheffield W. 49, Wimbledon 46, Leeds 41, Tottenham 39, Leicester 39, Blackburn 36, Everton 36, Derby 35, West Ham 33, Sunderland 33, Middlesbrough 31, Coventry 30, N. Forest 30, Southampton 27.

SPANISH FIRST DIVISION

Barcelona 4, Sevilla 0
Valladolid 2, Logrones 1
Athletic Bilbao 2, Compostela 2
Extremadura 2, Tenerife 0
Real Madrid 2, Zaragoza 0
Deportivo Coruna 2, Racing Santander 1
Hercules 1, Espanyol 2
Real Betis 4 Oviedo 0
Celta Vigo 1 Real Sociedad 1

FRENCH FIRST DIVISION

Paris St Germain 2, Metz 0
Monaco 3, Bastia 1
Nantes 1, Lille 0
Lyon 2, Le Havre 1
Lens 2, Auxerre 1
Montpellier 2, Nice 1
Nancy 1, Bordeaux 1
Cannes 1, Rennes 0
Guingamp 2, Strasbourg 1

DUTCH FIRST DIVISION

FC Volendam 2, Roda JC Kerkrade 1
Alkmaar 0, Feyenoord Rotterdam 2
FC Twente Enschede 3, Nijmegen 0
Fortuna Sittard 2, Sparta Rotterdam 1
PSV Eindhoven 0, Heerenveen 1
FC Groningen 2 Breda 2
RKC Waalwijk 1, Ajax Amsterdam 2

ITALIAN FIRST DIVISION

Atalanta 0, Milan 2
Fiorentina 1, Parma 0
Inter 2, Verona 1
Napoli 0, Juventus 0
Perugia 3, Cagliari 2
Piacenza 2, Sampdoria 2
Reggiana 0, Udinese 0
Vicenza 0, Lazio 2

Standings: Juventus 49, Parma 43, Inter 41, Sampdoria 40, Bologna 38, Lazio 37, Milan 36, Roma 35, Atalanta 35, Fiorentina 34, Vicenza 34, Udinese 32, Napoli 32, Piacenza 27, Perugia 26, Cagliari 23, Reggiana 18, Verona 18.

CYCLING

Milan-San Remo

SATURDAY, IN SAN REMO, ITALY

1. Erik Zabel, Germ. Deutsche Telekom six hours 57 minutes 47 seconds. 2, Alberto Elli, It., Casino. 3, Biagio Conte, It., Scrigno. 4, Francesco Casagrande, It., Saeco. 5, Michele Bartoli, It., Mapei GB. 6, Mirko Celestino, It., Polti. 7, Sergei Uchakov, Ukr., Polti. 8, Rolf Sorensen, Den., Rabobank. 9, Andrea Ferrigato, It., Roslotto. 10, Andrea Noe', It., Asics (all same time as winner).

RUGBY UNION

World Cup Rugby Sevens

SUNDAY, IN HONG KONG

QUARTERFINALS

Fiji 56, South Korea 0
Western Samoa 21, England 5
South Africa 19, France 14
New Zealand 38, Australia 12

SEMIFINALS

Fiji 38, Western Samoa 14
South Africa 31, New Zealand 7

FINAL

Fiji 24, South Africa 21

Super 12

Otago 27, Northern Transvaal 7
Waikato 31, Queensland 16
ACT 49, Canterbury 29
Free State 45, Natal 40
Gauteng (Transvaal) 36, New South Wales 27

Standings: Gauteng (Transvaal) 18 points, Natal 12, Waikato 12, Auckland 11, ACT 11, Free State 9, Northern Transvaal 8, Wellington 7, Otago 6, New South Wales 5, Canterbury 5, Queensland 1.

TEST MATCH

SATURDAY, IN GRENOBLE, FRANCE

France 32, Italy 40

TENNIS

ST. PETERSBURG OPEN

IN ST. PETERSBURG, RUSSIA

SEMIFINALS

Thomas Johansson (5), Sweden, def. Michael Stich (1), Germany, 6-3, 6-1
Renzo Furlan (7), Italy, def. Jan Kroslak, Slovakia, 6-3, 6-3.

FINAL

Johansson def. Furlan 6-3 6-4.

ADVERTISEMENT

Memorable Moments from Johnnie Walker: RYDER CUP *with Bernard Gallacher*



1987 - SEVE CLINCHES VICTORY ON THE COURSE JACK BUILT.

Written with R. Simmons. Designed & Illustrated by Dave F.Smith © International Herald Tribune / Professional Sports Partnerships Ltd.

SPORTS

Minnesota Busts Into Final Four For First Time

By J.A. Adande
Washington Post Service

SAN ANTONIO — The University of Minnesota has reached the Final Four of the NCAA Championship for the first time, by beating UCLA, 80-72.

The Gophers will play the defending champion University of Kentucky in a national semifinal Saturday in Indianapolis.

But don't expect Minnesota to change the formula that brought it 31 victories in 34 games and proved to be worthy again Saturday — even after falling behind by 10 points early in the second half. They get points from a variety of sources, work the ball inside and play everyone sitting between the coaches and the student managers.

Both teams felt the lingering fatigue from their overtime (double-overtime, in Minnesota's case) victories in the regional semifinals. But Clem Haskins, Minnesota's coach, substituted liberally: nine Gophers played 10 minutes or more, and only two played more than 30. By contrast, five Bruins played a total of 176 of the 200 minutes.

"We started to get a little winded and they continued to push it and bring in fresh bodies," said Charles O'Bannon, a senior forward for the Bruins who had a team-high 22 points but only one in the last eight minutes. He and the guard Toby Bailey (21 points) played the entire game.

The Bruins' lack of depth was exposed even more because Jelani McCoy, their 6-foot, 9-inch (2.06 meter) center, was limited to 13 minutes, three in the second half, because he was bothered by a bruised sternum he suffered in a second-round game.

The Gophers took advantage of McCoy's absence and took few outside shots; 24 of their 33 shots in the second half came from the lane. Minnesota made 21 of its 26 free throws, while UCLA converted 11 of 15. The Gophers also had the rebounding edge, 38-28.

Bobby Jackson, a guard who scored 36 points against Clemson on Thursday, led the Gophers with 18 points. The reserve swingman Quincy Lewis scored 15 points, including 10 in a four-minute run in the second half when the Gophers rallied from a nine-point deficit to take the lead. The reserve forward Charles Thomas had 14 points, as did Sam Jacobson, a starting forward.

"They paid a lot of attention to me and Sam," said Jackson, who also had a team-high nine rebounds. "But everybody on this team can score."

While the Bruins missed McCoy, the Gophers got a lift from Eric Harris, the point guard who had sprained his right shoulder in the Clemson game. He started and played 23 minutes, making few statistical contributions (no points, two assists) but playing tough defense on the UCLA point guard Cameron Dollar, who missed 7 of 10 shots and committed six turnovers.

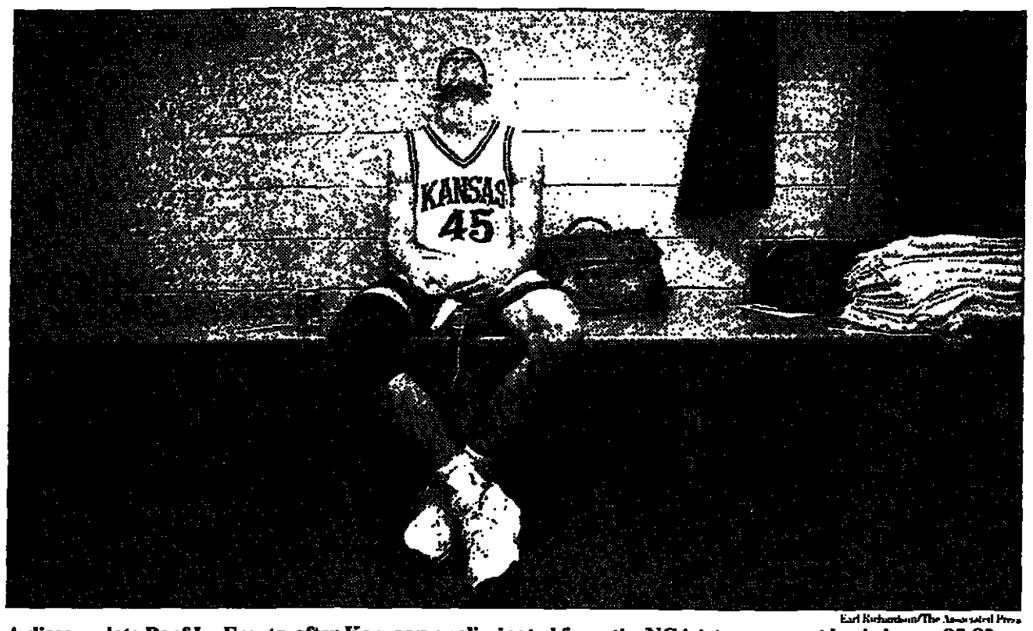
"He showed so much leadership out there today, we knew we had to step it up and play up to our capabilities," Jackson said.

A 12-game winning streak ended for UCLA, which ended the season at 24-8. So did the resurgence it enjoyed under Steve Lavin, an assistant coach who was given the interim job when Jim Harrick was fired Nov. 5 for falsifying an expense report and lying about it. Lavin shed the interim title and signed a four-year contract on Feb. 11. So his eyes welled up as the game drew to a close.

"This is a special group," Lavin said. "A real special team."

And Haskins, the Minnesota coach, said he was "on top of the world," even though he actually was on top of a ladder, cutting down the net and whirling it over his head. "I was on a high," he said.

Saturday should be equally emotional for Haskins. A native of Campbellsville, Kentucky, and an all-state high school player, he played at Western Kentucky before the University of Kentucky recruited blacks.



Earl Richardson/The Associated Press

A disconsolate Raef La Frentz, after Kansas was eliminated from the NCAA tournament by Arizona, 85-82.

Arizona Gets Revenge Against No. 1 Kansas

The Associated Press

Kansas, ranked No.1 in the United States, did not get past the last 16 of the NCAA tournament. The Jayhawks were upset, 85-82, by Arizona on Friday night in the semifinals of the Southeast Regional in Birmingham, Alabama.

"Life isn't always fair," said the Kansas coach, Roy Williams. "We had a fantastic, fantastic year. It was a dream season, but we didn't reach our final dream."

The fourth-seeded Wildcats (22-9), who lost to Kansas in the regional semifinals last year, reversed the defeat against the top-seeded Jayhawks (34-2).

Mike Bibby scored 21 points and Michael Dickerson 20 for the Wildcats, who were to play 10th-seeded Providence (24-11) Sunday for a berth in the Final Four.

Providence 71, Tennessee-Chattanooga 65 Jamel Thomas sparked a late 15-2 run with three 3-pointers as Providence won a matchup of underdogs.

The Friars gained their first Final Four berth since Rick Pitino's squad made it in 1987. Austin Croshere led Providence with 19 points, while God Shammgod scored 15 points and 7 assists.

Louisville 78, Texas 63 DeJuan Wheat, Louisville's leading scorer, twisted an ankle with more than 15 minutes to play and was carried off the court. But Alvin Sims scored a career-high 25 points and Damion Dantzler and Alex Sanders each added 17 as Louisville beat Texas in the East region semifinal in Syracuse, New York.

North Carolina 63, California 57 The Tar Heels rallied to win their 15th straight game and advance to the East regional final.

California (23-9) built a 45-38 lead with 9:48 left, but Antawn Jamison and Vince Carter scored all of North Carolina's points during a 15-3 run that put the Tar Heels up for good. Jamison finished with 21 points, while Carter had 14.

Randy Duck scored 15 points for California.

Huskies Fight Off Determined Illinois

Connecticut Will Face Tennessee For Place in Women's Final Four

The Associated Press

Carla Berube scored seven straight Connecticut points down the stretch as the top-ranked Huskies survived a determined upset bid by Illinois and escaped with a 78-73 victory in the Midwest Regional semifinals in Iowa City.

Illinois rallied from a 16-point deficit in the first half to tie the score with less than six minutes to play.

Berube scored 13 of her 17 points in the second half to

WOMEN'S NCAA

lead Connecticut, while Nykesha Sales, who scored the go-ahead basket, and Kara Wolters each scored 15. Connecticut will face Tennessee in the regional final on Monday.

Tennessee 75, Colorado 67 Chamique Holdsclaw scored 14 of her 20 points in the second half to lead the defending national champions past Colorado.

Tennessee (26-10) took the lead for good five minutes into the second half of the see-saw game, then made the shots it needed to keep Colorado (23-9) from pulling back ahead.

Georgia 68, Vanderbilt 52 In Missoula, Montana, Tracy Henderson hit 15 of her 17 points in the second half as Georgia pulled away from Vanderbilt in the West Regional.

Georgia (25-5), the second seed in the West, meets top-seed Stanford (33-1) in Monday's championship.

Stanford 91, Virginia 69 Kate Starbird scored 22 points and Jamila Wideman added 19 as Stanford (33-1) the top seeds in the West dominated Virginia. The Cavaliers (23-8) jumped out to an early lead but ran into foul trouble at the end.

Florida 71, Louisiana Tech 57 Murriel Page scored 19 points and 13 rebounds, and Florida used a fast start to beat Louisiana Tech in the NCAA Mideast Regional in West Lafayette, Indiana.

The Lady Gators went ahead 13-1 and led the rest of the way against second-seeded Tech, which shot only 33 percent from the field.

Third-seeded Florida (24-8) will meet top-seeded Old Dominion (32-1).

Old Dominion 62, Louisiana State 49 Old Dominion overcame its worst shooting performance of the season to beat Louisiana State in the other semifinal of the Mideast Regional.

The Lady Monarchs made up for their offensive troubles with overpowering rebounding and suffocating defense that held the Lady Tigers without a field goal for nearly 10 minutes in the first half.

Notre Dame 87, Alabama 71 Beth Morgan scored a career-high 36 points and Notre Dame used a 22-0 run to beat second-seeded Alabama in the East Regional tournament in Columbia, South Carolina.

Morgan scored 11 straight points as Notre Dame rallied from nine points down to tie it 51-51. After Alabama (25-7) went ahead 56-53, the Irish held the Tide scoreless for more than six minutes.

Shalonda Harris had 18 points in the first half for Alabama, but she did not score again until her free throw broke Notre Dame's run. By then it was 75-58 and the Fighting Irish had set up the unlikely East Regional final.

On Monday, the Fighting Irish (30-6) will face George Washington for a spot in the Final Four.

George Washington 55, North Carolina 46 Tajama Abraham had 18 points and 12 rebounds as George Washington upset top-seeded North Carolina in the East Regional semifinal in Columbia.

Abraham fought through three defenders and banked in a soft push shot with 4:33 left, putting the Colonials ahead for good 47-46. North Carolina did not score again and missed their final 10 shots.

Shaq Stays Away as Magic Crush LA

The Associated Press

Shaquille O'Neal was a no-show at Orlando Arena where his new team, the Los Angeles Lakers, was embarrassed by his old club, 110-84, Sunday.

Penny Hardaway and Nick Anderson paced the Magic with 21 points apiece. The Lakers missed 20 of 24 shots

NBA ROUNDUP

in the quarter and fell behind by 17 points. They never got back into contention.

O'Neal, who still has a home in Orlando, drove to the arena a little less than an hour before game time to drop some friends off at a rear entrance. The injured center rode away and did not return.

His absence deprived a sellout crowd of 17,248 a long-awaited opportunity to boo the all-star center for leaving Orlando last summer for a $120 million contract with the Lakers.

Elden Campbell led Los Angeles with 16 points. Nick Van Exel, fined $10,000 for comments critical of the officiating during the Lakers' one-point loss at Miami on Friday night, had 13.

In games played on Saturday:

Bulls 103, Pistons 88 Scottie Pippen scored 26 points and Michael Jordan had 23 as Chicago beat Detroit for the 19th consecutive time.

Luc Longley added 16 points and 12 rebounds and Dennis Rodman grabbed 18 rebounds as the host Bulls lengthened a streak that dates back to March 1993.

The Pistons, playing their fifth game in seven nights, got 16 points from Grant Hill, but he shot just 5-of-14 from the field and was 6-of-11 from the free throw line.

The Bulls broke the game open with a 22-9 run after Hill and Dennis Rodman got into a brief altercation that resulted in three technical fouls.

Suns 104, Rockets 99 Rex Chapman scored 27 points, and his jumper from just inside the 3-point line with 40.5 seconds left cemented Phoenix's fourth straight road victory.

Cavaliers 75, Mavericks 72 In Dallas, Tyrone Hill's layup with 44 seconds left put Cleveland ahead for good, and Bobby Phills came up with a key defensive play with 13 seconds remaining as the Cavaliers beat Dallas.

Hill worked inside against Shawn Bradley for a lay-up to give the Cavaliers a 73-72 advantage. Hill then made one of two free throws with 23.3 seconds to play for a 74-72 lead.

Michael Finley, who led Dallas with 22 points, tried to get in position for a 14-foot turnaround jumper with 13 seconds left, but Phills stripped the ball before Finley could turn.

Jazz 107, Clippers 94 In Salt Lake City, Karl Malone scored 20 points, John Stockton added 19 points and 12 assists and Utah won its sixth straight game — the longest current streak in the league — by beating Los Angeles.

Bucks 80, Knicks 79 In Milwaukee, Sherman Douglas won a jump ball from Charlie Ward with 1.1 seconds left, knocking the ball all the way downcourt to preserve Milwaukee's first home victory over New York since Dec. 12, 1992.

Bullets 108, Trail Blazers 104 Portland's winning streak came to an end as the Blazers lost on the road to Washington. The Blazers hadn't lost since Feb. 26, when they were beaten in overtime at home against New York.

Washington's Chris Whitney hit a pair of foul shots with 6.6 seconds left to put the Bullets up by three, and Cliff Robinson's off-balance 30-footer fell short with time winding down.

Hornets 100, Warriors 93 In Charlotte, Vlade Divac assisted on three baskets in a 58-second span in overtime to lift the Hornets over Golden State.

SuperSonics 113, Kings 99 In Seattle, Hersey Hawkins scored 22 points, David Wingate hit a key 3-point shot and Seattle survived the ejection of Gary Payton to beat Sacramento.



Ted Mathis/Agence France-Presse

The Bullets' Calbert Chaney blocking a shot by the Blazers' Kenny Anderson but committing a foul.

Senators Chip Away at Bruins' Playoff Hopes

The Associated Press

Steve Duchesne scored two goals and goalie Ron Tugnett stopped a penalty shot as the Ottawa Senators won, 5-4, in Boston and pushed the Bruins deeper into the Atlantic Division cellar.

The loss Saturday left the Bruins, who have won four of their last 22 games,

NHL ROUNDUP

seven points out of playoff contention, with nine games remaining.

The Bruins haven't missed the Stanley Cup playoffs for a record 30 years.

Jean Yves Roy put Boston in front with a goal at 3:32 of the first period, but Duchesne countered with the first of his two power-play goals.

With the score tied at 1-1, Brett Harkins was awarded a penalty shot when two Ottawa defenders hauled him down. He fired into the goalie's pads.

Janne Kaukkanen set Duchesne up for his second goal. Anson Carter responded for Boston with his seventh goal of the year, also on a power play, to tie the game at the end of the first period.

Ottawa countered with three straight goals by Shawn McEachern, Tom Chorske and Alexei Yashin for a 5-2 lead.

Even with All-Star Ray Bourque on the sidelines, the Bruins still had a kick left and Jon Rohloff scored his third goal of the season on the power play at 3:13 of the finale and Stumpel followed with his 17th at 8:31.

Islanders 3, Flyers 2 Philadelphia surrendered a three-goal lead and lost Eric Lindros to injury.

The Flyers' captain suffered a bruised right calf when checked by Islanders defenseman Rich Pilon at 5:19 of the first period. Pilon received a penalty for clipping and was thrown out of the game by referee Mick McGeough.

Todd Bertuzzi and Claude Lapointe scored 24 seconds apart midway through the third period as the Islanders rallied.

Capitals 3, Canadiens 1 In Montreal, Rick Tocchet scored twice and goalie Bill Ranford made 28 saves to lead Washington to victory.

Panthers 3, Sabres 2 In Miami, Ray Sheppard scored a goal and assisted on the game-winner as Florida moved six points ahead of the New York Rangers for fourth place in the Eastern Conference playoff race.

Coyotes 3, Maple Leafs 0 In Toronto, Mikolai Khabibulin made 33 saves for his league-high seventh shutout of the season, and Jeremy Roenick scored twice for streaking Phoenix. Jocelyn Lemieux also scored for the Coyotes, winners of four of their last five.

Canucks 3, Lightning 2 Markus Naslund scored six minutes into the second period to give the Canucks victory over visiting Tampa Bay.

The victory was only the second in the 11 games for the Canucks, who kept their slim playoff hopes alive.

Kings 2, Sharks 1 In Los Angeles, Nathan Lafayette scored shorthanded for his first goal of the season and Vitali Yachmenev scored on a power play as Los Angeles beat San Jose.

Devils 3, Penguins 2 Third-period goals by Dave Ellett and Bobby Holik gave New Jersey the victory in Pittsburgh.

THIS WEEK ON EUROSPORT

Most of the big guns of world tennis meet in Florida for the Lipton Championship; can Andre Agassi recapture the form that won him the title for the last 3 years?

Tennis:

22 - 30 March, LIVE, The ATP Tour, Super 9 Tournament, Key Biscayne, Florida
Andre Agassi, Pete Sampras, Goran Ivanisevic, Thomas Muster, and Tim Henman will all be in action in the second Super 9 of the year

Football:

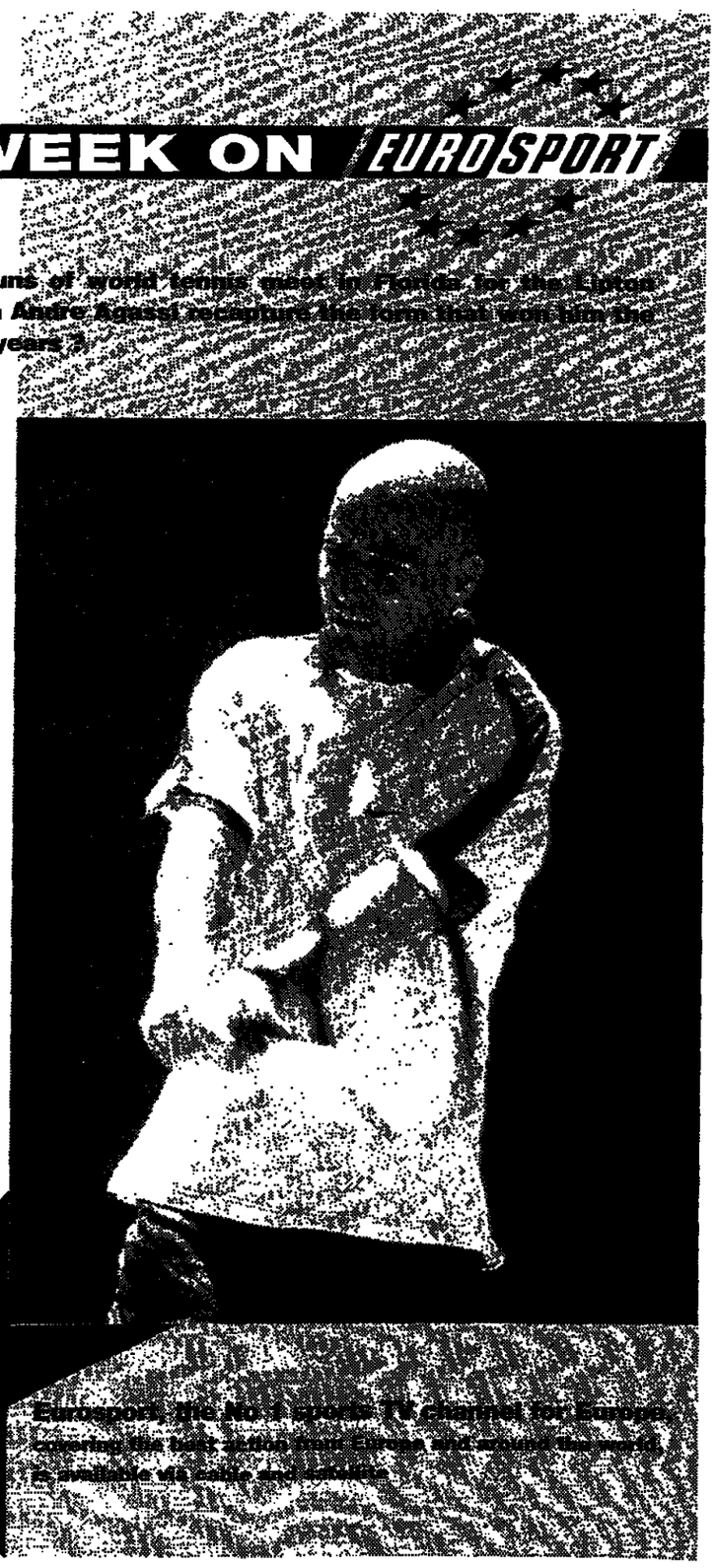
27 - 30 March, World Cup Qualifying action
Holland, Russia, Northern Ireland and Wales will all be in action as the race to qualify for the World Cup finals hots up

Cycling:

29 - 30 March, LIVE, The International Road Criterium
Some of the worlds best cyclists meet in the Tarn region of France

Motor racing:

27 March, The British Touring Car Championship
With the season just about to get under way we look at the leading contenders for this years Championship



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WORLD ROUNDUP

Olazabal Wins

GOLF Jose Maria Olazabal fired a final round 67 Sunday to win the Turespana Masters at Maspalomas on the Canary Islands, in only his third tournament since his comeback after 18 months out of the game with foot problems. His 20-under par total of 272 gave him a two-shot victory over Lee Westwood of Britain. *(Reuters)*

Tergat Retains Title

ATHLETICS Paul Tergat of Kenya won his third consecutive men's world cross-country title on Sunday. He pulled away from Salah Hissou of Morocco in the final sprint to the line in Turin.

In the women's race, Ethiopia's Derartu Tulu overtook the surprise leader, Paula Radcliffe of Britain, to win for the second time in three years. *(AP, Reuters)*

Cronje Leads Assault

CRICKET Belligerent batting by Hansie Cronje, the South African captain, followed by aggressive bowling by his pacemen gave South Africa the upper hand Sunday on the third day of the third test against Australia in Pretoria.

Cronje made 79 not out as South Africa reached 384 for a first innings lead of 157. In reply, Australia lost four wickets for 96 runs before the close. *(Reuters)*

Agassi Tumbles Again

TENNIS Andre Agassi lost his opening-round match at the Lipton Championships in Key Biscayne, Florida, to Scott Draper of Australia, 7-6 (7-5), 6-1. It was the fifth tournament in a row in which Agassi has been eliminated in his first match. *(AP)*

• Thomas Johansson of Sweden beat Renzo Furlan of Italy, 6-3, 6-4, on Sunday to win the $300,000 St. Petersburg Open. *(Reuters)*

Zabel First in San Remo

CYCLING Erik Zabel won a rough-and-tumble final sprint in the Milan-to-San Remo classic, the opening race of the 1997 World Cup. Several riders — including he favorite, Johan Museeuw, and Laurent Jalabert — fell a few feet from the finish. *(AP)*

Jones Is Disqualified

BOXING Roy Jones lost his World Boxing Council light heavyweight title and his unbeaten record when he was disqualified against a fellow-American, Montell Griffin. Jones appeared to win by knockout, but Griffin was declared the winner when the referee, Tony Perez, disqualified Jones for hitting Griffin in the head when the challenger was down on one knee. *(AP)*

They've Nothing to Cheer

BASKETBALL The New Jersey Nets defended the taped crowd noise at the team's home games in Continental Airlines Arena and have no plans to stop using it.

Michael Rowe, the club president, said that the phony noise is used to rouse the crowd, not replace it.

"One of the criticisms about Meadowlands crowds in general is that it's a bit of a laidback crowd, despite their loyalty," Rowe said. "So we do various things to get them up on their feet."

"Whenever we introduce a segment of entertainment, the crowd takes over from us," he said. "We don't put blow-up dolls in empty seats and we don't put fake sounds in place of real crowd noise."

Rowe added that because of the acoustics in the arena, the building needs more noise in order to create a feeling of excitement. *(AP)*

For Kentucky, a Giant Leap Toward a Repeat

Defending Champions Beat Utah to Reach the Final Four

By Jennifer Frey
Washington Post Service

SAN JOSE, California — Derek Anderson was the first Kentucky Wildcat to climb the ladder at San Jose Arena today and cut down a piece of the net. He didn't log any time in Kentucky's NCAA tournament West Region final against Utah — unless you count the final six seconds, when he ran onto the floor in his street clothes — but he was a fitting choice nonetheless.

On Jan. 18, Anderson fell down and the Wildcats were convinced that their entire season had fallen with him. Saturday, with Anderson still on the sideline but his teammates playing their hearts out, the defending national champions defeated Utah, 72-59, to advance where few — including their coach, Rick Pitino — thought they would at the midway point of this season. That happens to be back in the Final Four.

The top-seeded Wildcats (34-4), will be making their third trip to the Final Four in five seasons (they lost to North Carolina in the semifinals in 1993) when they meet Minnesota on Saturday at the RCA Dome in Indianapolis.

"When I got hurt, everybody said, 'Hey, I'll step up,' said Anderson, who is almost fully recovered from a torn anterior cruciate ligament but will not play in Indianapolis next weekend. "That's the reason why we've come so far. You could see that out there today."

NBA-bound Ron Mercer and a guard, Wayne Turner, were the two Wildcats to step up on Saturday, and at no time was that more evident than when Utah rallied from an 11-point deficit early in the second half to tie the game at 43 with 9 minutes 40 seconds to play.

Pitino called a timeout at that point, turned to Mercer and told him it was his responsibility to take over the game. Mercer scored two quick baskets and, a few minutes later, Turner made a mortifyingly easy steal from a Utah freshman, Jordie McTavish, and ran downcourt for a huge slam that put the Wildcats ahead by seven points. One three-pointer by Scott Padgett later, Kentucky had a double-digit lead it maintained the rest of the way.

"This team is a very difficult team for us to play, given our team," said Utah's coach, Rick Majerus, who saw his Utes lose to Kentucky by 31 points in the regional semifinals of last year's tournament. "They are our worst nightmare. They're athletic, and they press, and there's nothing we can do to simulate that."

Minnesota beats UCLA. Page 19.

This Kentucky team is not as quick or as athletic as the team that won the championship last season, but its defense is still its trademark.

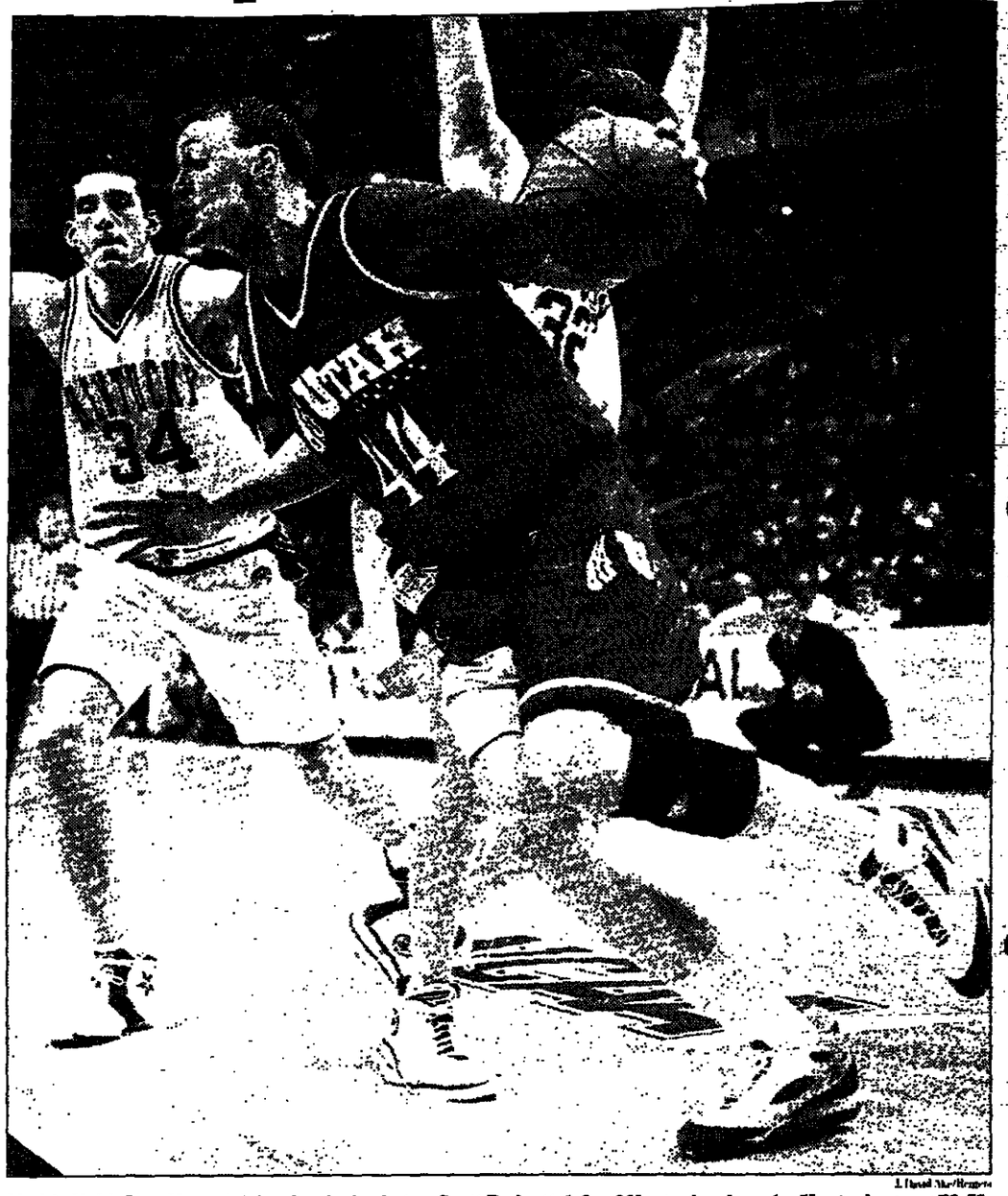
The Wildcats played spectacular half-court defense for much of the game, turning to their press at key moments, especially in the second half. The result was 17 turnovers for Utah (to Kentucky's nine). The Wildcats also shot 48 percent against the Utes, who had held all their previous tournament opponents to 35 percent shooting or worse.

A chief victim of the defensive switches Kentucky ran all afternoon, Keith Van Horn finished with 15 points, and he finished his impressive college career one victory shy of his dream of reaching the Final Four. Like two other all-Americans — Kansas's Jacque Vaughn and Wake Forest's Tim Duncan — Van Horn shunned the NBA last spring to return for his senior year. All three have now been eliminated from the tournament.

"I really don't know exactly what my emotions are at this point," said Van Horn, who is expected to be among the top three players taken in June's NBA draft. "It's hard to say this soon. I'm just happy I've had the times I've had with this team all this year."

Van Horn was named to the West Region all-tournament team, as was Turner, Stanford's Brevin Knight, St. Joseph's Rashid Bey and Mercer, the most valuable player with 21 points on Saturday. But that MVP award didn't earn Mercer the right to take the first snip at the net.

He happily gave that honor to Anderson, who was so excited by his teammates' success that he ran onto the floor and mauled Turner while the clock was ticking down the final seconds of the game. "I guess I can tell coach I was in now," said Anderson, as he lounged in the locker room in the Final Four pullover he got last spring. "Didn't get hurt, either.



Utah's Keith Van Horn driving for the basket as Scott Padgett, left, of Kentucky closes in. Kentucky won, 72-59.

Skating Thanks Heaven for Fearless Little Girls



Kevin Lamarque/Reuters

A flushed Tara Lipinski, after finishing her free-skating program.

International Herald Tribune

LAUSANNE, Switzerland — "How goes the figure skating championships?" asked the caretaker of the Olympic flame, Juan Antonio Samaranch, at breakfast with several American reporters.

Very well, answered one. With quelled enthusiasm he told Samaranch about the little girl, just 14 years old, who was becoming an American industry of her own. The reporter said, "If she wins today, it almost could be as big as ... "

He stopped. Samaranch was shaking his head in mock fear, mouthing the words: "No, no, no." François Carrard, secretary general of the International Olympic Committee, was pretending comically to be whacking himself on the knee.

Later that afternoon, Saturday, 14-year-old Tara Lipinski became by one month the youngest women'sworld figure skating champion ever, displacing the mark of the late, great Sonja Henie 70 years ago. More important, in the here and now, Lipinski maneuvered herself in front of the voracious magnifying lens that could make her almost as big as Nancy Kerrigan and Tonya Harding put together.

When Tonya's people tried to knock Nancy out of contention for the 1994 Olympics with a metal baton to the knee, the story preoccupied the United States for two months like a media virus. The Olympics were overshadowed by the two of them, and everyone involved made money on it.

Vantage Point/**IAN THOMSEN**

This time, the American reporter tried to explain to Samaranch that, another, albeit gentler, fury may be building around a girl who a few weeks ago lost her last baby tooth.

Lipinski won on the basis of her tight spins and apparent fearlessness, or more likely, her undeveloped nerves. The silver medal went to last year's champion, Michelle Kwan, the 16-year-old American who seemed eons more mature, more vulnerable and therefore more graceful.

For the next year, corporate America will invest in one image or the other — the Disney-like cuteness of Lipinski, or the more feminine Kwan. Vanessa Gusmeroli, an 18-year-old Frenchwoman, won the bronze medal.

"I knew what I had to do and I did it," Lipinski said. She performed seven triple-revolution jumps to six for Kwan. This, combined with Elvis Stojko's explosive victory in the men's championship last week, gave further credence to fears that judges are becoming more impressed by athleticism than by artistic grace.

More than a gymnast, however, Lipinski performed like a great child actor, her sincerity and innocence enhanced by her obliviousness to the pressures surrounding her.

The other 22 finalists, with a couple of exceptions, skated like devices written into the little girl's plot. They were all bigger, older and more assured, you would have thought, but they struggled with the elements that Lipinski made look easy and carefree. Depending on where you were sitting in the cozy hall (which wasn't quite sold out) Lipinski would come skating from the far end of the rink toward you, her face last to come into focus, her painted lips vanishing in concentration before the jumps. She executed them like a hummingbird. Her speed was her strength and her weakness.

The audience was dominated by Americans who were standing for Lipinski, throwing flowers and fuzzy toys to be gathered up by a corps of little girls.

The final two performers were, respectively, Kwan and Irina Slutskaya of Russia, the two-time European champion. Slutskaya, 18, was sixth after her disappointing short program Friday afternoon, worth one-third of the overall score, and at practice Saturday morning she slammed into the boards, requiring 40 minutes of medical treatment before the final.

Then she skated superbly. As she left the ice, pressing her hand to her back, there was reason to wonder if she might upset Lipinski. As it turned out, the free programs of Slutskaya, Kwan and Lipinski each earned top marks from three judges. Slutskaya finished fourth overall.

The most spirited performance was Kwan's, who was in fourth place as the final day began. She did not — despite her own obvious fears — repeat the falls that cost her the U.S. title to Lipinski last month.

"I think Michelle had a really big lesson to learn this year, which is that when you're the champion you really have to fight and come out like it's a whole new ball game," said her coach, Frank Carroll.

As the young woman and the little teenage girl were being asked to assess their rivalry for the next year, Kwan turned and showed her teeth and her nails at Lipinski. It was a good joke; what with Tonya and Nancy on everyone's mind.

When asked how long she planned to be competing against this year's champion, Kwan said: "For the next 25 years. We're both young and I don't know how long she's going to be there, but I'm going to be there."



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